

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Michael S. Myers (“Myers”), Davion Anthony Frazier (“Frazier”), Keaton Hall (“Hall”), and Kelly McDaniel (“McDaniel”) (collectively, “Plaintiffs”) and Defendants American Automobile Association of Northern California, Nevada & Utah (“AAA NCNU”) and A3 Smart Home LP (“A3 Smart Home”), including all of their parents, subsidiaries, and related entities (collectively, “Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as a “Party.”

1. **DEFINITIONS.**

- 1.1. “Action” means Plaintiffs’ lawsuits against Defendants captioned *Michael S. Myers v. American Automobile Association of Northern California, Nevada & Utah* (“AAA NCNU”), Alameda County Superior Court Case No. 23CV040857, *Davion Anthony Frazier v. AAA NCNU*, Contra Costa County Superior Court Case No. C23-02498, *Davion Anthony Frazier v. AAA NCNU*, Contra Costa County Superior Court Case No. C23-03184, and *Keaton Hall v. AAA NCNU*, Contra Costa County Superior Court Case No. C21-02363, and the notice submitted by Kelly McDaniel to the Labor & Workforce Development Agency (“LWDA”) asserting various wage and hour claims against AAA NCNU, on or about October 3, 2023. The Action will also be designed to settle all PAGA and class claims alleged and at issue in the Aljanabi Action, Wynn Action, Miles Action, Morehouse Action, Taylor PAGA Notice, and Garcia PAGA Notice, as defined below in Section 2.
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all non-exempt individuals who are or previously were employed by Defendants in California at any time during the PAGA Period.
- 1.5. “Amended PAGA Notice” means Plaintiff Hall’s March 6, 2025 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a) and further described in Section 3.2.
- 1.6. “Class” means all non-exempt individuals who are or previously were employed by Defendants in California at any time during the Class Period.
- 1.7. “Class Counsel” means: Torus LLP, Bibiyan Law Group, P.C., and Frontier Law Center.
- 1.8. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean

the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.

- 1.9. “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods (if any).
- 1.10. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.11. “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 by use of available email addresses, phone numbers, social security numbers, credit reports, and LinkedIn and Facebook accounts.
- 1.12. “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 in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.13. “Class Notice Packet” means the Class Notice to be provided to the Class Members by the Administrator in the form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Administrator) along with a Request for Exclusion form and Dispute form substantively in the forms attached hereto as Exhibit A.
- 1.14. “Class Period” means the period from November 3, 2017 through the date of preliminary approval.
- 1.15. “Class Representative” means the named Plaintiffs in the operative complaints in the Action seeking Court approval to serve as Class Representatives.
- 1.16. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.17. “Court” means the Superior Court of California, County of Contra Costa County.
- 1.18. “Defendants” means named Defendant American Automobile Association of Northern California, Nevada & Utah and A3 Smart Home LP.
- 1.19. “Defense Counsel” means Epstein, Becker & Green, P.C.

- 1.20. “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: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.21. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.22. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.23. “Final Judgment” means the Judgment entered by the Court upon Granting Final Approval of the Settlement.
- 1.24. “Gross Settlement Amount” means \$5,000,000, which is the total amount Defendants agree to pay under the Settlement except as provided in Section 10 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment and the Administration Expenses Payment.
- 1.25. “Individual Class Payment” means the Participating Class Members’ pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.26. “Individual PAGA Payment” means the Aggrieved Employees’ pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.
- 1.27. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.28. “LWDA” means the California Labor & Workforce Development Agency, the agency entitled to 75% of the PAGA Penalties, under Labor Code section 2699, subd. (i).
- 1.29. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.30. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.31. “Non-Participating Class Member” means any Class Member who opts out of the Settlement

by sending the Administrator a valid and timely Request for Exclusion.

- 1.32. "Objection to the Settlement" means objections as allowed by law by Participating Class Members to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment and as further discussed in Section 9.7.
- 1.33. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.34. "PAGA Period" means the period from October 1, 2020 through the date of preliminary approval.
- 1.35. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).
- 1.36. "PAGA Penalties" means \$1,000,000, which is the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$250,000) and the 75% to LWDA (\$750,000) in settlement of PAGA claims.
- 1.37. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.38. "Pay Period" means the timeframe used by Defendants to calculate and pay employees' wages.
- 1.39. "Plaintiffs" means Michael S. Myers, Davion Anthony Frazier, and Keaton Hall, the named plaintiffs in the Actions, and Kelly McDaniel.
- 1.40. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.41. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of Settlement.
- 1.42. "Released Class Claims" means the claims being released as described in Section 7.3 below.
- 1.43. "Released PAGA Claims" means the claims being released as described in Section 7.4 below.
- 1.44. "Released Parties" means: Defendants and all of their present and former parent entities, subsidiaries, and/or affiliates, predecessors and successors, as well as all of their present or former divisions, affiliates, former and present officers, owners, predecessors, directors, employees, agents, shareholders, fiduciaries, representatives, attorneys, insurers, benefit plans, and each and all of the foregoing persons' heirs, assigns, executors, administrators and successors, or any of them, or anyone claiming by, through, under, or on behalf of any of them, or any individual or entity that could be liable for any of the

Released PAGA Claims or Released Class Claims.

- 1.45. “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.
- 1.46. “Response Deadline” means 45 days after the Administrator mails the Class Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail the Class Members’ Objection to the Settlement. Class Members to whom the Class Notice are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond expiration of the Response Deadline.
- 1.47. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.48. “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On October 1, 2021, Hall provided notice to the LWDA and Defendants AAA NCNU alleging various PAGA violations. On November 3, 2021, Hall filed a wage and hour class action against Defendant AAA NCNU, alleging unpaid wages, overtime premiums, waiting time penalties, wage statement penalties and violation of the Unfair Competition Law. On December 10, 2021, Hall amended his complaint to include a single cause of action for PAGA Penalties.
- 2.2. On May 23, 2023 Myers provided notice to the LWDA and Defendant AAA NCNU alleging various PAGA violations. On August 16, 2023, Myers filed a representative PAGA action against Defendant AAA NCNU alleging a single cause of action against Defendant AAA NCNU for various wage and hour violations. On February 6, 2024, Myers amended his action to include class claims alleging claims for (1) failure to pay all wages; (2) failure to provide meal periods or compensation in lieu thereof; (3) failure to provide rest periods or compensation in lieu thereof; (4) failure to provide accurate itemized wage statements; (5) waiting time penalties; (6) failure to reimburse business expenses; and (7) violation of the Unfair Competition Law.
- 2.3. On August 25, 2023, Rodrigo Garcia provided notice to the LWDA and Defendant AAA NCNU alleging various PAGA violations (“Garcia PAGA Notice”).
- 2.4. On October 4, 2023, Frazier provided notice to the LWDA and Defendant AAA NCNU alleging various PAGA violations. On October 4, 2023, Frazier filed a wage and hour class action complaint against Defendant AAA NCNU alleging (1) failure to pay all wages; (2) failure to provide meal periods or compensation in lieu thereof; (3) failure to provide rest periods or compensation in lieu thereof; (4) failure to provide accurate itemized wage statements; (5) failure to timely pay wages and waiting time penalties; (6) failure to pay interest on deposits; and (7) violation of the Unfair Competition Law.

Frazier filed a separate representative PAGA action against AAA NCNU on December 15, 2023 alleging a single cause of action against AAA NCNU for various wage and hour violations. On February 29, 2024, Plaintiff Frazier's separate PAGA action was consolidated with Plaintiff Frazier's wage and hour class action case.

- 2.5. On October 3, 2023, Kelly McDaniel provided notice to the LWDA and Defendant AAA NCNU alleging various PAGA violations ("McDaniel PAGA Notice").
- 2.6. On March 9, 2023 Hasan Aljanabi and Michael Young (collectively, "Aljanabi") provided notice to the LWDA and AAA NCNU alleging various PAGA violations ("Aljanabi PAGA Notice"). On February 28, 2023, Aljanabi filed a wage and hour class action complaint against AAA NCNU alleging claims for (1) failure to pay all wages; (2) failure to provide meal periods or compensation in lieu thereof; (3) failure to provide rest periods or compensation in lieu thereof; (4) failure to provide accurate itemized wage statements; (5) waiting time penalties; (6) failure to reimburse business expenses; and (7) violation of the Unfair Competition Law, Contra Costa County Superior Court Case No. C23-00456 ("Aljanabi Class Action"). Aljanabi filed a separate representative PAGA action against Defendant AAA NCNU on June 27, 2023 alleging a single cause of action against AAA NCNU for various wage and hour violations, Contra Costa County Superior Court Case No. C23-01578 ("Aljanabi PAGA Action"). The Aljanabi Class Action and Aljanabi PAGA Action are referred to collectively as the "Aljanabi Action."
- 2.7. On April 10, 2023 Adrienne Wynn ("Wynn") provided notice to the LWDA and AAA NCNU alleging various PAGA violations ("Wynn PAGA Notice"). On April 10, 2023, Wynn filed a wage and hour class action complaint against AAA NCNU alleging claims for (1) failure to pay all wages; (2) failure to provide rest periods or compensation in lieu thereof; (3) failure to provide accurate itemized wage statements; (4) waiting time penalties; (5) failure to reimburse business expenses; and (6) violation of the Unfair Competition Law, Contra Costa County Superior Court Case No. C23-0082 ("Wynn Class Action"). Wynn filed a separate representative PAGA action against Defendant AAA NCNU on June 15, 2023 alleging a single cause of action against AAA NCNU for various wage and hour violations, Contra Costa County Superior Court Case No. C23-01484 ("Wynn PAGA Action"). The Wynn Class Action and Wynn PAGA Action are referred to collectively as the "Wynn Action."
- 2.8. On July 31, 2023 Horonzo Rell Miles ("Miles") provided notice to the LWDA and AAA NCNU alleging various PAGA violations ("Miles PAGA Notice"). Miles filed a separate representative PAGA action against Defendant AAA NCNU on October 9, 2023 alleging a single cause of action against AAA NCNU for various wage and hour violations, Sacramento County Superior Court Case No. 23CV009624 ("Miles Action").
- 2.9. On June 20, 2024, Joseph Morehouse, Jr. ("Morehouse") provided notice to the LWDA and AAA NCNU alleging various PAGA violations ("Morehouse PAGA Notice"). On July 31, 2024, Miles filed a wage and hour class action complaint against AAA NCNU alleging claims for (1) failure to pay all wages; (2) failure to provide meal periods or compensation in lieu thereof; (3) failure to provide rest periods or compensation in lieu thereof; (4) failure to provide accurate itemized wage statements; (5) waiting time

penalties; (6) failure to reimburse business expenses; (7) failure to produce requested employment records; and (8) violation of the Unfair Competition Law, Sacramento County Superior Court Case No. 24CV015307 (“Morehouse Action”).

- 2.10. On June 20, 2024, Zahir Niisaiah Taylor (f/k/a Myia Smith) provided notice to the LWDA and Defendant AAA NCNU alleging various PAGA violations (“Taylor PAGA Notice”).
- 2.11. Following execution of this Agreement, Plaintiff Myers and Defendants intend to enter into a stipulation to transfer venue of the *Myers* Action from Alameda County Superior Court to Contra Costa County Superior Court where the *Frazier* and *Hall* Actions are pending. Following transfer of venue of the *Myers* Action, Plaintiffs will enter into a stipulation with Defendants to consolidate their actions (herein after referred to as the “Consolidated Action”).
- 2.12. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs gave timely written notice to Defendant AAA NCNU and the LWDA by sending the PAGA Notices.
- 2.13. The Court has not granted class certification.

3. PLEADING AMENDMENT.

- 3.1. As part of this Agreement, the Parties stipulate to the filing by counsel for Hall of a new notice with the LWDA (“Amended LWDA Notice”) within 14 days of all Parties’ signatures to the Agreement that adds: (1) A3 Smart Home LP as a Defendant, and (2) all claims raised in the LWDA notices in the Myers, McDaniel, and Frazier matters, and in the Aljanabi PAGA Notice, the Wynn PAGA Notice, the Miles PAGA Notice, the Morehouse PAGA Notice, the Taylor PAGA Notice, and the Garcia PAGA Notice.
- 3.2. The Parties stipulate that within 14 days of all Parties’ signatures to the Agreement Plaintiff Myers and Defendants will enter into a Stipulation to Transfer Venue, transferring the *Myers* Action from Alameda County Superior Court to Contra Costa County Superior court. Within 14 days of the Court granting the order transferring venue for the *Myers* Action, the Parties will enter into a stipulation consolidating the *Myers* Action, *Frazier* Action, and *Hall* Action.
- 3.3. Should Plaintiffs’ efforts to consolidate be successful, the Parties stipulate to the filing of a Second Amended Class and Representative Action Complaint within 7 days of the Court granting a motion to consolidate or otherwise consolidating the Action that adds: (1) A3 Smart Home LP as an additional defendant, (2) claims contained in the Amended LWDA Notice, and (3) non-individual claims contained in the pleadings in all Actions including Aljanabi Action, Wynn Action, Miles Action, and Morehouse Action. The Second Amended Class and Representative Action Complaint shall be the operative complaint (the “Operative Complaint”).
- 3.4. Should the Court reject Plaintiffs’ attempts to consolidate the Action, the Parties agree that Myers, Hall, and Frazier will each file Second Amended Class and Representative Action Complaints that add: (1) A3 Smart Home LP as an additional defendant, (2) all claims

contained in the Amended LWDA Notice, and (3) all non-individual claims contained in the pleadings in the Aljanabi Action, Wynn Action, Miles Action, and Morehouse Action.

4. MEDIATION AND SETTLEMENT.

- 4.1. On January 9, 2025, Defendants and counsel for Plaintiff Myers and McDaniel participated in an all-day mediation with experienced class and PAGA mediator, Steve Rottman, Esq., which led to this Agreement to settle the Action.
- 4.2. Prior to mediation, Plaintiffs obtained, through formal and informal discovery, written policy documents applicable to the claims, a 20% sampling of Class Members' time and pay records, and other relevant data points concerning the composition of the Class. In the *Hall* matter, Hall and AAA NCNU engaged in extensive written discovery and depositions, AAA NCNU provided its wage and hour policies and procedures to Plaintiff, which Plaintiff reviewed, and the parties exchanged detailed briefs on the merits in connection with AAA NCNU's motion for summary judgment. Plaintiffs' 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*").

5. MONETARY TERMS.

- 5.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants promise to pay \$5,000,000 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. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 5.2. Payments from the Gross Settlement Amount. Subject to the terms and conditions of this Agreement, 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.
 - 5.2.1. To Plaintiffs: Class Representative Service Payment to the Class Representative of not more than \$10,000.00 to each of the Plaintiffs (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on

the Class Representative Service Payment.

- 5.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the Gross Settlement Amount, which is currently estimated to be \$1,750,000 and a Class Counsel Litigation Expenses Payment of not more than \$50,000. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. The Parties agree that except as otherwise provided herein, the Parties will bear their own attorneys' fees and costs incurred, and Defendant shall have no other liability for any of Plaintiffs' attorneys' fees or costs in connection with the Action. Plaintiffs and Class Counsel waive any additional claim for attorneys' fees incurred by Plaintiffs in connection with the Action. Plaintiffs and/or Class Counsel will file a Motion for Final Approval of the Settlement no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments.
- 5.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$35,500 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than \$35,500, the Administrator will retain the remainder in the Net Settlement Amount for distribution to Participating Class Members.
- 5.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- 5.2.5. Tax Allocation of Individual Class Payments. One-third (1/3) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining two-thirds (2/3) of each Participating Class Member's Individual Class Payment will be allocated to settlement for non-wages, expense reimbursement, payment of paid sick leave amounts, any other non-wage claim made by any Plaintiff, interest and penalties (the "Non-Wage Portion"). The Non-Wage Portion is 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.

- 5.2.6. 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.
- 5.2.7. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$1,000,000 to be paid from the Gross Settlement Amount, with 75% (\$750,000) allocated to the LWDA PAGA Payment and 25% (\$250,000) allocated to the Individual PAGA Payments.
- 5.2.8. Individual PAGA Payments: The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$250,000 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. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
- 5.2.9. PAGA Penalties Reduction: If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

6. SETTLEMENT FUNDING AND PAYMENTS.

- 6.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate there are 4,800 Class Members who collectively worked a total of 649,585 Workweeks, and 3,700 Aggrieved Employees who worked a total of 200,294 PAGA Pay Periods.
- 6.2. Class Data. Not later than 15 business days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 6.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator within 21 days after final approval of the Settlement.

6.4. Payments from the Gross Settlement Amount. Within 10 days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.

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

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

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

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

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

- 7.1. Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to:
 - 7.1.1. all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and released under Section 7.3, below;
 - 7.1.2. all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiffs' PAGA Notice, or ascertained during the Action and released under Section 7.4, below;
 - 7.1.3. claims for wrongful termination or constructive discharge, including claims based on violation of public policy or an implied covenant of good faith and fair dealing; promissory estoppel or detrimental reliance; breach of fiduciary duty; or breach of agreements, representations, policies, or practices related to Plaintiffs' relationship with any Released Party or based on any legal obligation owed by any Released Party;
 - 7.1.4. claims for tortious interference with contract or prospective business; fraud or negligent misrepresentation; invasion of privacy, defamation or libel; personal injury or sickness or any other harm; intentional or negligent infliction of emotional distress; nonphysical injury; or false imprisonment;
 - 7.1.5. claims for violation of federal, state, or local laws, ordinances, or executive orders prohibiting discrimination, harassment, or retaliation, or requiring accommodation, on the basis of any legally protected characteristic or activity, including, but not limited to, age, sex, race, creed, color, religion, national origin, ancestry, pregnancy, childbirth or related medical conditions, sex, genetic information, or other legally protected characteristics or activities;
 - 7.1.6. claims for violation of federal, state, or local laws or ordinances requiring leave, paid or unpaid, on any grounds, or prohibiting interference or retaliation for exercising any such rights;
 - 7.1.7. claims for violation of federal, state, or local laws, ordinances, or executive orders governing employment practices; wages, notice of wages, payment of wages, pay equity, or theft of wages; scheduling, including shifts, meal breaks and rest periods; polygraphs; privacy including electronic privacy or communications; safety or health; consumer or credit reporting; labor relations or unfair labor practices; immigration; or retaliation or interference with any protected rights or characteristics;
 - 7.1.8. claims for violation of federal, state, or local laws, ordinances, or executive orders requiring notice of plant closures, layoffs, or reductions in the workforce;
 - 7.1.9. claims for compensation of any kind whatsoever, including, but not limited to, claims for salary, wages, overtime, bonuses, commissions, incentive compensation,

severance, sick or other leave, vacation, or other paid time off;

7.1.10. claims for benefits of any kind whatsoever, including, but not limited to, retirement, welfare, and fringe benefits;

7.1.11. claims for violations of the Age Discrimination in Employment Act of 1967 (ADEA) and Older Workers Benefit Protection Act (OWBPA);

7.1.12. claims for monetary or equitable relief, including, but not limited to, damages, back pay, front pay, reinstatement, medical fees or expenses, experts' expenses, attorneys' fees, costs, debts, or disbursements; and

7.1.13. claims for violations of the Americans with Disabilities Act ("ADA"),

collectively referred to as "Plaintiffs' Release". Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledges that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

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

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

7.3. Release by Participating Class Members: All Participating Class Members will release and discharge the Released Parties from all claims, demands, rights, liabilities and causes of action that were pled in the Operative Complaint in the Action, or which could have been alleged based on the factual allegations therein, that arose during the Class Period. The time period covered by this release will mirror the Class Period and will become effective upon the Effective Date and full payment of the Gross Settlement Amount and payroll taxes by Defendants.

7.4. Release by Aggrieved Employees and LWDA: All Aggrieved Employees and LWDA are deemed to release and discharge the Released Parties from all PAGA claims that are based on the Labor Code violations pled in the Operative Complaint and Amended PAGA Notice or which could have been pled in the Operative Complaint in the Action or the Amended PAGA Notice ("PAGA Claims") based on the factual allegations therein, that arose during the PAGA Period. Aggrieved Employees will not be provided with the opportunity to opt

out of this PAGA Release.

8. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s procedures and instructions.

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

9. SETTLEMENT ADMINISTRATION.

- 9.1. Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions (“Phoenix”) to serve as the Administrator and verified that, as a condition of appointment, Phoenix 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 Administrator’s duties will include all duties described in Section 6.4, and will also include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned to the Class Member’s new address; setting up a toll-free telephone number and email and a fax number to receive communications from Class Members; receiving and reviewing for validity completed Requests for Exclusion; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of Requests for Exclusion, objections and disputes; calculating Individual Class Payments and Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. 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.
- 9.2. 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.
- 9.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 9.4. Notice to Class Members.
 - 9.4.1. 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 reflected in the Class Data.
 - 9.4.2. Using best efforts to perform as soon as possible, and in no event later than 10 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
 - 9.4.3. 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.

9.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 15 days beyond the 45 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.

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

9.5. Requests for Exclusion (Opt-Outs).

9.5.1. 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 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

9.5.2. 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 of identity 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.

9.5.3. 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 Section 7.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

- 9.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Section 7.4 of this Agreement and are eligible for an Individual PAGA Payment.
- 9.6. Challenges to Calculation of Workweeks or Pay Periods. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice ("Challenge"). The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.
- 9.7. Objections to Settlement.
 - 9.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.
 - 9.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).
 - 9.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement. If a Class Member submits both a

Request for Exclusion and an objection, only the Request for Exclusion will be accepted, and the objection will be void.

- 9.7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
- 9.7.5. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval Order and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 9.7.6. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from the Settlement submitted by the Class Members (whether valid or invalid).
- 9.7.7. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA 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 of Requests for Exclusion and attach copies of all Requests for Exclusion, objections, and challenges received.
- 9.7.8. 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 and Aggrieved Employee 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.
- 9.7.9. Administrator’s Declaration. Not later than 7 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement,

the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attaching the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

9.7.10. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 7 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.

10. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Defendants estimate that, as of the date of this Agreement, there are an estimated 649,585 workweeks worked by the Class Members during the Class Period. If the number of total workweeks worked by Class Members as reported to the Settlement Administrator following preliminary approval is more than 12.5% greater than this figure (i.e., if there are more than 730,783 total workweeks worked during the Class Period), then Defendants, at their option, can either choose to, (1) increase the Gross Settlement Amount by \$7.69 per additional workweek in excess of 649,585 workweeks (the 12.5% escalation limit) or (2) cut off the Class Period before the total number of workweeks increases above 730,783.
11. **DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total Class Members, Defendants may, but are 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 the Parties will not have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Administration Expenses incurred as of the date Defendants make this election to withdraw. Defendants must notify Class Counsel and the Court of their election to withdraw not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel. Invalid Requests for Exclusion will have no effect on this threshold for an election.
12. **MOTION FOR FINAL APPROVAL.** Unless otherwise ordered by the Court, not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court a motion for final approval of the Settlement that includes a request for approval of the Settlement (including the PAGA settlement under Labor Code section 2699, subd. (1)), a Proposed Final Approval Order, and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than three (3) 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.

- 12.1. 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.
- 12.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 12.3. 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 under Code of Civil Procedure § 664.6 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.
- 12.4. 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 Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 12.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on an equal basis, any additional Administration Fee Expenses reasonably incurred at the time of remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

14. ADDITIONAL PROVISIONS.

14.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Action or Operative Complaint have merit or that Defendants bear any liability to Plaintiffs, Class Members, or Aggrieved Employees for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

14.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees have not and 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.

- 14.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 14.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 14.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 14.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 14.8. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 14.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 14.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 14.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 14.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 14.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall

survive the execution of this Agreement.

- 14.14. Use and Destruction 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 Defendants 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 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, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendants. Not later than 5 years after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, the Administrator shall destroy all paper and electronic versions of Class Data received from Defendants.
- 14.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 14.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 14.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

David Alami
david@torusllp.com
Daniel J. Hyun
daniel@torusllp.com
Shaheen A. Etemadi
shawn@torusllp.com
TORUS LLP
2 Park Plaza, Suite 1260
Irvine, California 92614

David D. Bibiyan
david@tomorrowlaw.com
Bibiyan Law Group, P.C.
1460 Westwood Boulevard
Los Angeles, California 90024

Adam Rose
adam@fronterlawcenter.com
Theodore Tang
theodore@frontierlawcenter.com

Manny Starr
manny@frontierlawcenter.com
FRONTIER LAW CENTER
23901 Calabasas Road, #2074
Calabasas, California 91302

To Defendants:

Courtney McFate
CMcFate@ebglaw.com
Rishi Puri
RPuri@ebglaw.com
EPSTEIN BECKER GREEN
1125 NW Couch Street, Suite 500
Portland, OR 97209

14.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., through DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

14.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement, discovery in the Action shall remain stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement and pursuant to Code of Civil Procedure § 583.330, the Parties extend the date to bring the Action to trial for a period of not less than one (1) year starting from the date of the signing of this Agreement by all Parties until the entry of the Final Judgment or if not entered the date this Agreement shall no longer be of any force or effect.

14.20. Arms-Length Settlement. The Parties, Class Counsel, and Defense Counsel represent and warrant that they have arrived at this Agreement through arms-length negotiations.

14.21. Enforceability. The Parties agree that this Agreement is enforceable pursuant to the provisions of Code of Civil Procedure § 664.6, subject to Court approval.

The Parties hereby execute this Settlement.

Dated: _____

MICHAEL S. MYERS

By: 
Michael Myers (Mar 11, 2025 13:08 PDT)
(Signature)

Dated: _____

KELLY MCDANIEL

By: 
Kelly McDaniel (Mar 11, 2025 15:18 PDT)
(Signature)

Dated: 03/15/2025

DAVION ANTHONY FRAZIER

By: 
Davion Frazier (Mar 15, 2025 22:26 PDT)
(Signature)

Dated:

KEATON HALL

By:
(Signature)

Dated:

AMERICAN AUTOMOBILE ASSOCIATION
OF NORTHERN CALIFORNIA, NEVADA &
UTAH and A3 SMART HOME LP

By:
(Signature)

Marshall L. Doney

Chief Executive Officer

Approved as to form:

Dated:

TORUS LLP

By:
David Alami
Daniel J. Hyun
Shaheen A. Etemadi
Attorneys for Plaintiffs Michael S. Myers and Kelly
McDaniel

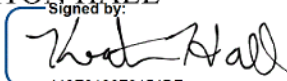
Dated: _____

DAVION ANTHONY FRAZIER

By: _____
(Signature)

Dated: 3/11/2025

KEATON HALL

By:  _____
(Signature)

Dated: _____

AMERICAN AUTOMOBILE ASSOCIATION
OF NORTHERN CALIFORNIA, NEVADA &
UTAH and A3 SMART HOME LP

By: _____
(Signature)

Marshall L. Doney

Chief Executive Officer

Approved as to form:

Dated: _____

TORUS LLP

By: _____
David Alami
Daniel J. Hyun
Shaheen A. Etemadi
Attorneys for Plaintiffs Michael S. Myers and Kelly
McDaniel

Dated: _____

DAVION ANTHONY FRAZIER

By: _____
(Signature)

Dated: _____

KEATON HALL

By: _____
(Signature)

Dated: 3/14/2025

AMERICAN AUTOMOBILE ASSOCIATION
OF NORTHERN CALIFORNIA, NEVADA &
UTAH and A3 SMART HOME LP

By: Marshall Doney
(Signature)

Marshall L. Doney

Chief Executive Officer

Approved as to form:

Dated: _____

TORUS LLP

By: _____
David Alami
Daniel J. Hyun
Shaheen A. Etemadi
Attorneys for Plaintiffs Michael S. Myers and Kelly
McDaniel

Dated: _____

DAVION ANTHONY FRAZIER

By: _____
(Signature)

Dated: _____

KEATON HALL

By: _____
(Signature)

Dated: _____

AMERICAN AUTOMOBILE ASSOCIATION
OF NORTHERN CALIFORNIA, NEVADA &
UTAH and A3 SMART HOME LP

By: _____
(Signature)

Marshall L. Doney

Chief Executive Officer

Approved as to form:

Dated: March 11, 2025

TORUS LLP

By: *David Alami*

David Alami

Daniel J. Hyun

Shaheen A. Etemadi

Attorneys for Plaintiffs Michael S. Myers and Kelly
McDaniel

Dated: 3/18/2025

BIBIYAN LAW GROUP

By: Vedang J. Patel
David Bibiyan ; Vedang J. Patel
Attorneys for Plaintiff Davion Anthony Frazier

Dated: _____

FRONTIER LAW CENTER

By: _____
Adam Rose
Manny Starr
Attorneys for Plaintiff Keaton Hall

Dated: _____

EPSTEIN BECKER GREEN

By: _____
Courtney McFate
Rishi Puri
Attorneys for Defendants AMERICAN
AUTOMOBILE ASSOCIATION OF NORTHERN
CALIFORNIA, NEVADA & UTAH and A3 SMART
HOME LP

Dated: _____

BIBIYAN LAW GROUP

By: _____

David Bibiyan
Attorneys for Plaintiff Davion Anthony Frazier

Dated: 3/11/2025

FRONTIER LAW CENTER

By:  _____
Adam Rose

Manny Starr
Attorneys for Plaintiff Keaton Hall

Dated: 3/18/2025

EPSTEIN BECKER GREEN

By: Courtney McFate _____

Courtney McFate
Rishi Puri
Attorneys for Defendants AMERICAN
AUTOMOBILE ASSOCIATION OF NORTHERN
CALIFORNIA, NEVADA & UTAH and A3 SMART
HOME LP

EXHIBIT A

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

(Michael S. Myers v. American Automobile Association of Northern California, Nevada & Utah (“AAA NCNU”), Alameda County Superior Court Case No. 23CV040857, Davion Anthony Frazier v. AAA NCNU, Contra Costa County Superior Court Case No. C23-02498, and Keaton Hall v. AAA NCNU, Contra Costa County Superior Court Case No. C21-02363)

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendants American Automobile Association of Northern California, Nevada & Utah and A3 Smart Home LP (collectively, “Defendants”) for alleged wage and hour violations. The Actions were filed by former employees Plaintiffs Michael S. Myer, Davion Anthony Frazier, and Keaton Hall (“Plaintiff”) and seek payment of unpaid wages, meal and rest period premiums, reimbursements for expenses, and penalties for inaccurate wage statements and failure to timely pay wages during and upon separation of employment for a class of non-exempt employees (“Class Members”) who worked for Defendants during the Class Period (November 3, 2017 through the date of preliminary approval); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt employees who worked for Defendants during the PAGA Period (October 1, 2020 through the date of preliminary approval) (“Aggrieved Employees”).

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

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

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

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not. **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 Plaintiffs, Plaintiffs’ attorneys (“Class Counsel”), and the Class. The Court will also decide whether to enter a judgment that requires

Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants 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 and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.
- (2) **Opt Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue wage claims arising during the Class Period against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement and will receive an Individual PAGA Payment even if you submit a Request for Exclusion.

Defendants 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 Do not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 7 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

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

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendants. The Actions accuse Defendants of violating California labor laws by failing to pay all wages, including but not limited to, (1) failure to pay all wages; (2) failure to provide meal periods or compensation in lieu thereof; (3) failure to provide rest periods or compensation in lieu thereof; (4) failure to provide accurate itemized wage statements; (5) waiting time penalties; (6) failure to reimburse business expenses; (7) violation of the Unfair Competition Law; (8) failure to pay interest on deposits; (9) failure to produce requested employee records; and (10) violation of the Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by the following attorneys in the Action: Torus LLP, Bibiyan Law Group, P.C., and Frontier Law Center (collectively, “Class Counsel”). The contact information for Class Counsel is in **Section 9** of this Notice.

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

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

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. During the lawsuit, however, Plaintiffs and Defendants hired an experienced, neutral

mediator in an effort to resolve the Action by negotiating an to end the case by agreement (*i.e.*, settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendants 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, Defendants do not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants 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) the Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

- i. Defendants Will Pay \$5,000,000 as the Gross Settlement Amount (“Gross Settlement”). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor & Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, after the Judgment entered by the Court becomes final, Defendants will fund the Gross Settlement within 21 days after final approval of the Settlement. The Judgment will be final on the date the Court enters Judgment, or on a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
- ii. Court-Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs 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 \$1,750,000 (35% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$50,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only amount each Plaintiff will receive other than Plaintiffs’ Individual Class Payments and any Individual PAGA Payments.
 - C. Up to \$35,500 to the Administrator for services administering the Settlement.
 - D. Up to \$1,000,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their

PAGA Period Pay Periods.

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

- iii. 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 number of Workweeks during the Class Period.
- iv. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of one-third (1/3) of each Individual Class Payment to taxable wages (“Wage Portion”) and two-thirds (2/3) to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes they owe on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

- v. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California State Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the California State Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

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

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

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

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

All Participating Class Members will release and discharge the Released Parties from all claims, demands, rights, liabilities and causes of action that were pled in the Operative Complaint in the Action, or which could have been alleged based on the factual allegations therein, that arose during the Class Period. The time period covered by this release will mirror the Class Period and will become effective upon the Effective Date and full payment of the Gross Settlement Amount and payroll taxes by Defendants.

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

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

All Aggrieved Employees will release and discharge the Released Parties from all PAGA claims that are based on the Labor Code violations pled in the operative complaint in the Action or Plaintiffs' letter to the LWDA dated [REDACTED], or which could have been pled in the Operative Complaint in the Action based on the factual allegations therein, that arose during the PAGA Period. Aggrieved Employees will not be provided with the opportunity to opt out of this PAGA Release.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- i. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
- ii. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$250,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
- iii. Workweek/Pay Period Challenges. The number of Class Workweeks that you worked for Defendants during the Class Period and the number of PAGA Pay Periods that you worked for Defendants during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until [OPT OUT DATE] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. **Section 9** of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

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

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

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

To opt-out, you must submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Keaton Hall, et al. v. AAA NCNU*, Contra Costa County Superior Court Case No. C21-02363, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [OPT OUT DATE], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 court days before the [INSERT FINAL APPROVAL HEARING DATE] Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in **Section 9** of this Notice) will send you copies of these documents at no cost to you. You can also view information about the Final Approval Hearing and this Class Notice on the Administrator's Website

(insert url).

A Participating Class Member who disagrees with any aspect of the Agreement, 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 or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is [OPT OUT DATE].** 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 *Keaton Hall v. AAA NCNU*, Contra Costa County Superior Court Case No. C21-02363 and include your name, current address, telephone number, and approximate dates of employment with Defendants and sign the objection. **Section 7** of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See **Section 7** of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **[INSERT FINAL APPROVAL HEARING DATE]** at **[INSERT TIME]** in Department 39 of the Contra Costa County Superior Court, located at 725 Court Street, Martinez, CA 94553. 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, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via <https://www.cc-courts.org/calendars/court-calendars.aspx> Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website <http://www.phoenixclassaction.com> beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement is to contact Class Counsel identified below. Information about the Final Approval Hearing, this Class Notice, and the Judgment will be available on the Administrator's website at **[INSERT URL]**. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://odyportal.cc-courts.org/portal>) and entering the Case Number for the Action, Case No. C21-02363.

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

Class Counsel:

David Alami
david@torusllp.com
TORUS LLP
2 Park Plaza, Suite 1260
Irvine, California 92614

David D. Bibiyan
david@tomorrowlaw.com
Bibiyan Law Group, P.C.
1460 Westwood Boulevard
Los Angeles, California 90024

Manny Starr
manny@frontierlawcenter.com
FRONTIER LAW CENTER
23901 Calabasas Road, #2074
Calabasas, California 91302

Settlement Administrator:

Phoenix Class Action Administration Solutions

[INSERT EMAIL ADDRESS]:

[INSERT MAILING ADDRESS]:

[INSERT TELEPHONE NUMBER]:

[INSERT FAX NUMBER]:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

If your check is already void, you should consult the Unclaimed Property Fund (https://www.sco.ca.gov/upd_msg.html) for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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