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

DANELLE SKINNER, an Individual, on
 behalf of himself and all others similarly
 situated

Plaintiffs,

v.

CARBON ACTIVATED CORPORATION, a
 California Corporation; and DOES 1 through
 100, Inclusive

Defendants.

CASE NO.: 21STCV37888

[Assigned for all purposes to the Hon. Carolyn B.
 Kuhl-Dept SSC 12]

CLASS ACTION

**JOINT STIPULATION AND SETTLEMENT OF
 CLASS ACTION AND PRIVATE ATTORNEYS
 GENERAL ACT CLAIMS**

Action Filed: October 14, 2021

Trial Date: None Set

Subject to final approval by the Court, which counsel and parties agree to pursue and recommend in good faith, Plaintiff DANELLE SKINNER ("Named Plaintiff") and on behalf of all non-exempt employees, and Defendant CARBON ACTIVATED CORPORATION, (hereinafter "Defendant") hereby agree to the following binding settlement of the class action and Private Attorneys General Act of 2004 (California Labor Code § 2699 et seq.) ("PAGA") case captioned as *Danelle Skinner v. Carbon Activated Corporation*, Case no. 21STCV37888. This case is hereinafter defined as the "Action".

I. DEFINITIONS

As used herein, the following terms are defined as:

1. "Action" means, and refers to, the case captioned *Danelle Skinner v. Carbon Activated Corporation*, Case no. 21STCV37888.

2.a. "Agreement," "Settlement," or "Stipulation" mean and refer to this Joint Stipulation and Settlement of Class Action and PAGA Claims.

2.b. "Aggrieved Employees" means and refers to all current and former employees of Defendant Carbon Activated Corporation who were employed in California, as a non-exempt hourly paid employee during the PAGA Period.. Aggrieved employees are also referred to as PAGA Members throughout this Agreement.

3. "Aggregate Workweek Number" means, and refers to, the sum of all of the Class Members' Total Workweeks which will be used to calculate Participating Class Members' Individual Settlement Payments. The Settlement Payments to be paid to Participating Class Members shall be each individual Class Member's proportional share of the Aggregate Workweek Number.

4. "Attorneys' Fees and Cost Award" means and refers to the amount authorized by the Court to be paid to Class Counsel for the services they have rendered, and expenses they have incurred, in prosecuting the Action. As set forth infra in Section III, Paragraph 8, Class Counsel shall request, and Defendant will not oppose, an award of attorneys' fees of up to Thirty Seven thousand nine hundred sixteen dollars sixty six cents (\$37,916.66) or Thirty Three and one third percent 33⅓% of the Gross Fund Value and a Cost Award of up to Fourteen Thousand Dollars (\$14,000). The Attorneys' Fees and Cost Award shall come out of the Gross Fund Value and will not increase the amount of the Gross Fund Value.

5. "Settlement Administrator" means, and refers to, CPT, or another settlement administration provider upon which the Named Plaintiff, Class Counsel, Defendant, and Defendant's Counsel mutually agree.

6. "Settlement Administration Costs" means, and refers to, the amount that will be paid to the Settlement Administrator, and includes all costs incurred in administering the Settlement, which will be paid from the Gross Fund Value, as defined in Section I, Paragraph 40, below. The Parties agree to work in good faith to minimize, as much as possible, the Settlement Administration Costs. Defendant will not

object to any application for approval of the Settlement Administration Costs, provided the Settlement Administration Costs are paid out of the Gross Fund Value and will not increase the Gross Fund Value.

7. "Class" and "Class Member" mean and refer to a member of the class conditionally certified for settlement purposes only during the applicable Class Period, consisting of all current and former non-exempt employees who worked for Defendant in California during the Class Period as defined below.

8. "Class Counsel" and "Plaintiff's Counsel" means and refers to Kokozyan Law Firm, APC.

9. "Class List and Data Report" means a list of Class Members that Defendant will diligently and in good faith compile from its Human Resources, and/or Payroll employee information database. The Class List and Data Report shall be in excel format, and shall include each Class Member's full name; dates of employment during which he or she was employed by Defendant; last known home address; and the Social Security number. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and shall only access and use the list to administer the settlement in conformity with the Court's orders.

10. "Class Period" means and refers to the period from November 19, 2020 through the sooner of August 16, 2022 or the date the workweeks in the Class reach 105% of 5,500..

11. "Complaint" means, and refers to, the operative First Amended Complaint in this Action.

12. "Court" means and refers to the Superior Court of the State of California for the County of Los Angeles.

13. "Defendant" means and refers to Carbon Activated Corporation.

14. "Defendant's Counsel" or "Defense Counsel" shall mean Christopher B. Cato of GORDON REES SCULLY MANSUKHANI, LLP.

15. "Effective Date" means the date by which this Settlement is finally approved as provided herein and the Court's Final Approval Order becomes binding. For purposes of this Settlement Agreement, the Final Approval Order becomes binding upon the later of: (1) the day after the last day by which a notice of appeal of the Final Approval Order and/or of an order rejecting any motion to intervene may be timely filed, and none is filed; (2) if such an appeal is filed, and the Final Approval Order is affirmed, the day after the last date for filing a request for further review of the decision passes and no further review

1 is requested; (3) if an appeal is filed and further review of the decision affirming the Final Approval Order
2 is requested, the day after the request for review is denied with prejudice and/or no further review of the
3 decision can be requested, or (4) if review is accepted, the day after the United States or California
4 Supreme Court affirms the Settlement. The Effective Date cannot occur, and Defendants will not be
5 obligated to fund this Settlement, until and unless there is no timely possibility of an appeal or further
6 appeal that could potentially prevent this Settlement Agreement from becoming final and binding.

7 16. "Excluded Class Members" means and refers to all Class Members who timely and validly
8 submit a written request to be excluded from the Class on or before the Objection/Exclusion Deadline
9 Date.

10 17. "Final Approval" means and refers to the Court's order granting final approval of the
11 Settlement.

12 18. "Final Approval Date" means and refers to the date on which the Court's Final Approval
13 Order is entered.

14 19. "Final Approval Hearing" or "Final Fairness Hearing" means and refers to the hearing at
15 which the Court considers whether to approve the Settlement and to enter the Final Approval Order.

16 20. "Gross Fund Value" means, and refers to the total amount that Defendants will be
17 required to pay by this Settlement. The Gross Fund Value consists of the Attorneys' Fees and Costs
18 Award, the Service Award, the Settlement Administration Costs, the PAGA Payment and the Net Fund
19 Value. The Gross Fund Value is equal to One Hundred Thirteen Thousand Seven Hundred Fifty Dollars
20 (\$113,750). The Gross Fund Value is the total amount Defendant will be obligated to pay under this
21 settlement except for the, employer side share of payroll taxes, as described below.

22 21. "Individual Settlement Payment" means and refers to the amount to be paid to each
23 individual Participating Class Members from the Net Fund Value. The estimated Individual Settlement
24 amount shall be indicated on the Notice. Individual Settlement Payment for each individual Participating
25 Class Member will result from the calculations set forth in Section III, paragraph 12, infra, less all
26 applicable state and federal withholding taxes, including FICA, FUTA and SDI contributions and any
27 other applicable payroll deductions required by law as a result of the payment of the amount allocated to
28 such Participating Class Member under the terms of this Stipulation.

22. "Named Plaintiff" means Danelle Skinner.

23. "Net Fund Value" or "NFV" means, and refers to, the funds available to be distributed to Participating Class Members from the Gross Fund Value after payment of any Attorneys' Fees and Cost Awards, Service Award, Settlement Administration Costs. For avoidance of doubt, the Net Fund Value does not include the PAGA Payment as defined below.

23. "Notice" means and refers to the "Notice of Class Action Settlement" that the Court directs to be sent via regular mail to all Class Members (substantially in the forms annexed hereto as Exhibit A).

24. "Objection/Exclusion Deadline" means and refers to the date no later than forty-five (45) calendar days after the date the Class Notices are mailed (judged by the postmark date) to Class Members by the Settlement Administrator, on or before which a Class Member, may (1) validly submit a Notice of Objection, (2) submit a Request for Exclusion, or (3) challenge with documentary evidence his or her Total Workweeks. The Response Deadline for Requests for Exclusion, Objection or workweek disputes will be extended fifteen (15) calendar days for any Class Member who is re mailed a Class Notice by the Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

25. "PAGA Payment" means and refers to Three Thousand Four hundred Twelve Dollars and Fifty Cents (\$3,412.50) of the Gross Fund Value, which constitutes penalties pursuant to PAGA, and pursuant to Labor Code Section 2699(i), which will be distributed as follows: 25% to the Aggrieved Employees and 75% to the California Labor and Workforce Development Agency. For the avoidance of doubt, only the Aggrieved Employees as defined above shall receive this payment.

26.a. "PAGA Period" means the period from November 19, 2020 through the end of the Class Period.

26.b. "PAGA Release" is defined as follows: Upon Defendant fully funding the PAGA Payment, the Aggrieved Employees for the PAGA Period shall fully and finally release and discharge only the following: any and all claims pursuant to the California Labor Code and/or the Private Attorneys General Act of which were asserted in Plaintiff's notice to the LWDA or reasonable could

1 have been asserted based on the facts alleged in Plaintiff's notice to the LWDA or the operative First
2 Amended Complaint, and arising during the PAGA Period, including but not limited to those claims
3 based on the following categories of allegations as set forth in Plaintiff's notice to the LWDA: (a) all
4 claims for unpaid overtime wages; (b) all claims for unpaid minimum wages; (c) all claims for failure to
5 pay overtime wages including failing to pay overtime at the legal overtime pay rate; (d) all claims for
6 failure to provide meal periods or failing to provide premium wages; (e) all claims for failure to
7 authorize and permit rest periods or failing to provide premium wages; (f) all claims for the failure to
8 promptly pay all wages due and owing at the end of an employee's employment including claims for
9 penalties under Labor Code sections 201, 202, and 203; and (g) all claims for the failure to issue timely
10 and properly itemized wage statements. Any Aggrieved Employee is subject to the PAGA Release upon
11 the Effective Date and upon Defendant fully funding the PAGA Payment even if they are also a Class
12 Member and they request exclusion from the class, so they are not a participating class member. For the
13 avoidance of doubt, Aggrieved Employees have no right to opt out of the PAGA Release.

14 27. "PAGA Members" means all current and former non-exempt employees of Defendant
15 who were employed by Defendant in the State of California at any time during the PAGA Period.
16 PAGA Members are also referred to as Aggrieved Employees throughout this Agreement.

17 28. PAGA Members' Payment means and refers to the amount PAGA Members are entitled
18 to receive from the PAGA PAYMENT.

19 29. "Participating Class Member" means and refers to any and all Class Members who are
20 not Excluded Class Members.

21 30. "Parties" means, and refers to Defendant, the Named Plaintiff, and the Class Members.

22 31. Total PAGA Pay Period means, and refers to the total number of PAY PERIODS for all
23 the PAGA members during the PAGA Period.

24 32. "Preliminary Approval Order" means, and refers to, the Order issued by the Court
25 preliminarily approving the terms of the Settlement.

26 33. "Preliminary Approval Date" means and refers to the date that the Court enters the
27 Preliminary Approval Order.

28 34. "Preliminary Approval Hearing" means and refers to the hearing on Named Plaintiff's

1 Motion for Preliminary Approval, as discussed in Section III, Paragraph 10, *infra*.

2 35. "Qualified Settlement Fund" means and refers to the fund to be established by the
3 Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1 into which Defendant
4 will deposit the Gross Fund Value within fourteen (14) days following the Effective Date. Defendant
5 shall also deposit the employer's share of payroll taxes into the Qualified Settlement Fund within
6 fourteen (14) days following the Effective Date.

7 36. "Released Claims" is defined as follows: Upon the Effective Date and the date the
8 Defendant fully funds the Gross Fund Value, Participating Class Members shall fully and finally release
9 and discharge the Released Parties from only the following: all claims, rights, demands, damages,
10 liabilities and causes of action, contingent or vested, in law or in equity and arising at any time during
11 the Class Period, for unpaid wages or other compensation, and/or related penalties, interest, costs,
12 attorneys' fees, punitive damages, and/or injunctive or other equitable remedies, allegedly owed or
13 available, for claims arising out of, or related to the claims, allegations and operative facts asserted in
14 the operative First Amended Complaint, including claims: (1) failure to pay overtime wages; (2) failure
15 to pay minimum wages; (3) failure to pay overtime wages at the legal overtime pay rate; (4) failure to
16 provide meal periods in violation of labor code sections 226.7, 512, 558, and 1198; (5) failure to
17 provide rest periods in violation of labor code section 226.7 and applicable I.W.C. Wage Orders; (6)
18 failure to timely furnish accurate itemized wage statements (Labor Code section 226); (7) failure to pay
19 waiting time penalties in violation of labor code sections 201, 202, 203 and 558; ((8) Unfair Business
20 Practices in Violation of Business and Professions Code section 17200, et. seq. based on the preceding
21 claims. Participating Class Members that are also PAGA members also release the claims outlined in
22 the PAGA release. Participating Class Members do not release any other claims, including claims for
23 vested benefits, wrongful termination, violation of the Fair Employment and Housing Act,
24 unemployment insurance, disability, social security, workers' compensation, or claims based on facts
25 occurring outside the Class Period.

26 37. "Released Parties" means and refers to Defendants Carbon Activated Corporation and its
27 past, present and future officers, directors, parents, subsidiaries, predecessors, successors, assigns,
28 affiliates, joint employers, co-employers, PEOs, joint obligors, affiliated or related companies, divisions,

1 fiduciaries, trustees, partners, investors, insurers, owners, operators, principals, agents, administrators,
2 shareholders, principals, members, partners, consultants, attorneys, employees, and each of their
3 respective agents, employees, insurers, partners, associates, successors, joint employers, co-employers,
4 affiliates, and assigns, in any and all capacities (including but not limited to the fiduciary, representative,
5 or individual capacity of any released person or entity), and any entity owned in whole or part by or
6 affiliated with any of the above.

7 38. "Service Award" means and refers to the amount that the Court authorizes to be paid to the
8 Named Plaintiff over and above his Individual Settlement Payment, in recognition of Named Plaintiff's
9 efforts in assisting with the prosecution of the Action on behalf of the Class Members and in return for a
10 General Release of all Claims against Released Parties. Named Plaintiff will request, and Defendant will
11 not oppose, a Service Award up to Five Thousand Dollars (\$5,000) for Named Plaintiff. Named
12 Plaintiff will be issued an IRS Form 1099 in connection with his Service Award.

13 39. "Settlement Award" means, and refers to, the total portion of the Net Fund Value payable
14 to each Class Member after deduction of all applicable state and federal employment withholding taxes,
15 FICA and FUTA contributions and any other applicable payroll deductions required by law.

16 41. "Workweek" is any calendar week during the Class Period in which a Class Member was
17 employed by Defendant in California as a non-exempt employee.

18 42. "Total Workweeks" means and refers to the sum of all the Workweeks a Class Member
19 was employed during the Class Period.

20 43. "Pay Periods" means and refers time period of two week increments during a PAGA
21 members' employment with Defendant in California as a non-exempt employee.

22 II. RECITALS

23 This Stipulation is made by the Named Plaintiff on behalf of himself and each of the other Class
24 Members, on the one hand, and the Defendant, on the other hand, in this Action, and is subject to the
25 approval of the Court.

26 A. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES ONLY

27 At or about the time that the Named Plaintiff files his motion for preliminary approval of this
28 Settlement Agreement, the Named Plaintiff shall request certification of the Class for settlement purposes

1 only.

2 **Limitation on Effect of Certification.**

3 The certification of the Class – for settlement purposes only – shall not constitute, in this or any
4 other proceeding, an admission of any kind by Defendant, including without limitation, that certification
5 of a class or collective action for trial purposes is appropriate or proper or that Named Plaintiff could
6 establish any of the requisite elements for class or collective treatment of any of the claims in the Action.
7 In the event that the Settlement is not finally approved, or the Settlement is otherwise terminated or
8 rendered null and void, the certification of the Class shall be automatically vacated and shall not constitute
9 evidence or a binding determination that the requirements for certification of a class or collective action
10 for trial purposes in this Action or in any other actions are satisfied. In such circumstances, Defendant
11 expressly reserves all rights to challenge the Class certification for any purpose other than settlement
12 purposes in this Action or in any other action on all available grounds as if no class had been certified for
13 settlement purposes in the Action, and no reference to the prior certification of this class, or any documents
14 related thereto, shall be made available for any purpose. Additionally, the Parties stipulate that to further
15 the certification for settlement purposes, and for no other purpose or effect, the Named Plaintiff is typical
of other Class Members and can represent the Class.

16 **B. INVESTIGATION IN THE CLASS ACTION**

17 Before initiating this action, since or about the year of 2021, Plaintiff's Counsel conducted a
18 thorough investigation into the merits of the potential claims and defenses.

19 The Parties have conducted significant investigation of the facts and law during the prosecution
20 of this Action. Discovery and investigation included: the exchange of informal discovery between
21 Plaintiff and Defendant including the production of documents by Defendant including Defendant's
22 employee handbooks, policies and procedures regarding the payment of wages, time keeping, overtime,
23 meal and rest periods and the production of detailed voluminous class-wide payroll and time punch data
24 by Defendant. Plaintiff's counsel retained an expert to review timekeeping records and payroll records
25 and to assist in the preparation of a damage analysis for this litigation.

26 Also, there were numerous conferences between representatives of the Parties and a full day-long
27 mediation session with Marc Feder, Esq., an experienced mediator of wage-and-hour class actions, on
28 August 16, 2022.

Furthermore, Plaintiff's Counsel spent significant time reviewing a sampling of employee time and payroll records and analyzing a production of detailed voluminous class-wide payroll and time punch data. Defendant's counsel provided Plaintiffs' counsel with the pay and time records for members of the class, in addition to Plaintiff's pay and time records. Plaintiff's Counsel spent significant time analyzing the documents and found significant similarities in Plaintiffs' records as in those of the putative class members.

After mediation, significant investigation of the facts and law of this Action, and multiple meet and confer efforts, the Parties decided to resolve the matter through settlement.

C. BENEFITS OF SETTLEMENT TO CLASS MEMBERS

Named Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate their disputes through trial and through any possible appeals. Named Plaintiff has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Named Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendant's defenses thereto (many of which have been shared at the mediation and in settlement discussions). Named Plaintiff and Class Counsel have also taken into account the extensive settlement negotiations conducted. Named Plaintiff and Class Counsel have also taken into account Defendant's agreement to enter into a settlement that confers substantial relief upon the Class Members. Based on the foregoing, Named Plaintiff and Class Counsel have determined that the Settlement set forth in this Agreement is a fair, adequate and a reasonable settlement, and is in the best interests of the Class Members.

D. DEFENDANTS' REASONS FOR SETTLEMENT

Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of Defendant's time, energy and resources have been and, unless this Settlement is made, will continue to be devoted to the defense of the Claims asserted by the Plaintiff individually and on behalf of the Class. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Settlement. Defendant has, therefore, agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Claims as set

1 forth in the Action despite its position that it has complied with California Law at all times.

2 **E. DEFENDANT'S DENIAL OF WRONGDOING**

3 Defendant does not admit any wrongdoing and contends that it fully complied with the law at all
4 times in all respects. Whether the Settlement is finally approved, neither this Settlement, nor any terms,
5 document, statement, proceeding or conduct related to settlement, nor any reports or accounts thereof,
6 shall in any event be (a) construed as, offered or admitted in evidence as, received as, or deemed to be
7 evidence for any purpose, including, but not limited to, evidence of a presumption, concession,
8 indication, or admission by Defendant of any fault, wrongdoing, liability and/or unlawful activity
9 whatsoever or any effort to certify a class or collective action; or (b) disclosed, referred to, or offered or
10 received in evidence, in any further proceeding in this action, or any other civil, criminal or
11 administrative action or proceeding, except for purposes of settling this Action or enforcing this
12 Settlement, or as a defense to any claims released by the Settlement.

13 **F. NAMED PLAINTIFFS' CLAIMS**

14 Named Plaintiff has claimed and continues to claim that the Released Claims have merit and give
15 rise to liability on the part of Defendant. This Agreement is a compromise of disputed claims. Nothing
16 contained in this Agreement and no documents referred to herein and no action taken to carry out this
17 Agreement may be construed or used as an admission by or against the Named Plaintiff or Class
18 Counsel as to the merits or lack thereof of the Claims asserted.

19 **III. STIPULATION AND AGREEMENT**

20 ***NOW, THEREFORE, IT IS HEREBY STIPULATED***, by and among the Named Plaintiff on
21 behalf of the Class Members on the one hand, and Defendant on the other hand, and subject to the approval
22 of the Court, that the Action is hereby being compromised and settled pursuant to the terms and conditions
23 set forth in this Agreement, subject to the definitions and recitals set forth in Sections I and II, *supra*,
24 which by this reference become an integral part of this Agreement, and subject to the following terms and
25 conditions:

26 1. **Full Investigation.** Named Plaintiff and Class Counsel have fully investigated the
27 factual and legal bases for the causes of action asserted in the Action.

28 2.a. **Release As To All Participating Class Members.** Upon the Effective Date and Defendant

1 fully funding the Gross Fund Value , the Participating Class Members, including the Named Plaintiff,
2 release the Released Parties for the Released Claims for the Class Period.

3 2.b. Release as To All Aggrieved Employees. Upon the the Effective Date and Defendant
4 fully funding the PAGA Payment, the Aggrieved Employees, including the Named Plaintiff, release the
5 Released Parties for the PAGA Released Claims for the PAGA Period.

6 3. General Release By Named Plaintiff Only. In addition to the releases made by the
7 Participating Class Members and Aggrieved Employees as set forth in Section I, Paragraphs 36 and 26.b
8 *supra*, Named Plaintiff, in exchange for the Service Award as requested or as otherwise authorized by
9 the Court, will, as of the Effective Date, make the additional following General Release of all his
10 Claims, known or unknown, in exchange and consideration of the sum set forth in Section I, Paragraph
11 38, *supra*. As of the Effective Date and upon Defendant fully funding the Settlement, Named Plaintiff
12 only for himself agrees to the General Release of the Released Parties. Named Plaintiff as of the
13 Effective Date also agrees to release all wage and hour Claims, including, but not limited to, overtime
14 wages, expense reimbursement, meal and rest period sanctions, penalties under the Private Attorneys
15 General Act and all other Released Claims. Also, without limiting the generality of the foregoing:
16 NAMED PLAINTIFF only ALSO SPECIFICALLY AGREES AND ACKNOWLEDGES WAIVER OF
17 ANY RIGHT TO RECOVERY ARISING OUT OF THEIR EMPLOYMENT WITH DEFENDANT
18 INCLUDING BUT NOT LIMITED TO STATE OR FEDERAL SEX, GENDER, CITIZENSHIP,
19 RACE, COLOR, NATIONAL ORIGIN, MARITAL STATUS, RELIGION, VETERAN STATUS,
20 DISABILITY, SEXUAL ORIENTATION, MEDICAL CONDITION OR OTHER ANTI
21 DISCRIMINATION LAWS, INCLUDING, WITHOUT LIMITATION, TITLE VII OF THE CIVIL
22 RIGHTS ACT OF 1964, THE AMERICANS WITH DISABILITIES ACT AND THE CALIFORNIA
23 FAIR EMPLOYMENT AND HOUSING ACT, OR BASED ON THE FAMILY AND MEDICAL
24 LEAVE ACT, THE EMPLOYEE RETIREMENT INCOME SECURITY ACT, THE WORKER
25 ADJUSTMENT AND RETRAINING ACT, THE FAIR LABOR STANDARDS ACT AND THE
26 CALIFORNIA LABOR CODE, ALL AS AMENDED, WHETHER SUCH CLAIM BE BASED UPON
27 AN ACTION FILED BY EMPLOYEES OR BY A GOVERNMENTAL AGENCY.

28 The General Release as to Named Plaintiff includes any unknown Claims that Named Plaintiff

1 does not know or suspect to exist in his favor at the time of the General Release, which, if known by
2 him, might have affected his settlement with, and release of, the Released Parties or might have affected
3 his decision not to object to this Settlement or the General Release.

4 With respect to his General Release, Named Plaintiff stipulates and agrees that, upon the
5 Effective Date, Named Plaintiff shall be deemed to have, and by operation of the Final Judgment shall
6 have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights
7 and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or
8 state law, which provides:

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

12 Named Plaintiff may hereafter discover facts in addition to or different from those he now knows
13 or believes to be true with respect to the subject matter of the General Release, but Named Plaintiff upon
14 the Effective Date shall be deemed to have, and by operation of the Final Judgment shall have, fully,
15 finally, and forever settled and released any and all of the claims released pursuant to the General
16 Release whether known or unknown, suspected or unsuspected, contingent or non-contingent, which
17 now exist, or heretofore have existed upon any theory of law or equity now existing or coming into
18 existence in the future, including, but not limited to, conduct that is negligent, intentional, with or
19 without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or
20 existence of such different or additional facts.

21 Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any
22 claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers'
23 compensation benefits that arose at any time, or based on occurrences outside the Class Period.

24 4. Service Award. Subject to Court approval, and expressly in exchange for the General
25 Release and for his time and effort in bringing and prosecuting this matter, Named Plaintiff shall be paid
26 a Service Award up to a total of Five Thousand Dollars (\$5,000), or such other distribution or lower
27 amount as the Court may order. The Service Award shall be paid from the Gross Fund Value and shall
28 not increase the Gross Fund Value. The Service Award shall be paid to the Named Plaintiff by the

1 Settlement Administrator no later than ten (10) business days after Defendant delivers the Gross Fund
2 Value to the Settlement Administrator for deposit into the Qualified Settlement Fund. The Parties agree
3 that a decision by the Court to award Named Plaintiff an amount less than the amount stated above shall
4 not be a basis for Class Counsel to void this Stipulation. The Settlement Administrator shall issue
5 Named Plaintiff an IRS Form 1099 for the Service Award. Any amount awarded for service payments to
6 the Named Plaintiff less than the requested amounts will result in the non-awarded funds to be awarded
7 to Participating Class Members on a proportionate basis to the amount of their Individual Settlement
8 Payment. The Named Plaintiff shall be solely and legally responsible to pay any and all applicable taxes
9 on this payment. The Service Award shall be paid in addition to the Named Plaintiff's share of the
10 Settlement Amount as a Participating Class Member.

11 5. Tax Liability. Defendant makes no representations as to the tax treatment or legal effect
12 of the payments called for hereunder and Named Plaintiff and Participating Class Members are not
13 relying on any statement or representation by Defendant in this regard. Named Plaintiff and
14 Participating Class Members understand and agree that except for Defendant's payment of the
15 employer's portion of any payroll taxes, they will be solely responsible for the payment of any taxes and
16 penalties assessed on the payments described herein.

17 6. CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR
18 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO
19 THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
20 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO
21 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
22 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL
23 ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
24 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY
25 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING
26 PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT
27 LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION
28 WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON

1 THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
2 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION
3 OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID
4 ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3)
5 NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
6 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S
7 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING)
8 UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
9 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
10 BY THIS AGREEMENT.

11 7. Creation Of The Qualified Settlement Fund And Administration Of The Settlement.

12 Within fourteen (14) days after the Effective Date, Defendant shall deliver the Gross Fund Value
13 as Defined Above as required by this Stipulation into the Qualified Settlement Fund created by the
14 Settlement Administrator. Defendant shall also simultaneously deliver to the Settlement Administrator,
15 Defendant's (Employer) share of payroll taxes, including but not limited to, FICA, FUTA and SDI
16 contributions. In addition to the employer's portion of payroll taxes, payments from the Qualified
17 Settlement Fund shall be made (1) for the Service Award to the Named Plaintiff, as specified in this
18 Agreement and approved by the Court; (2) the Attorneys' Fees and Cost Award to be paid to Class
19 Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement Administration
20 Costs; and (4) the amount allocated to PAGA penalties to be paid to the California Labor Workforce and
21 Development Agency and the Aggrieved Employees. The balance remaining shall constitute the Net
22 Fund Value from which Individual Settlement Payments shall be made to Participating Class Members,
23 less applicable taxes and withholdings.

24 8. Attorneys' Fees And Cost Award. Defendant agrees not to oppose or impede any
25 application or motion by Class Counsel for attorneys' fees in the amount of Thirty Seven thousand nine
26 hundred sixteen dollars sixty six cents (\$37,916.66) or Thirty Three and one third percent 33⅓%.
27 Defendant further agrees not to oppose any application or motion by Class Counsel for the
28 reimbursement of any actual costs associated with Class Counsel's prosecution of this matter not in

excess of Fourteen Thousand Dollars (\$14,000). Class Counsel will provide verification of the cost amount that it is seeking to be reimbursed. Any amount awarded for attorneys' fees and costs to Class Counsel less than the amounts above will result in the non-awarded amounts to be awarded to Participating Class Members on a proportionate basis to the amount of their Individual Settlement Payments. Class Counsel shall be paid any Court-approved fees and costs no later than ten (10) business days after Defendant delivers the required funds to the Settlement Administrator for deposit into the Qualified Settlement Fund. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made to Class Counsel. Forms 1099 – MISC, Box 14 shall be provided to Class Counsel for the payments made, and Class Counsel shall provide, before the Effective Date, properly completed Forms W-9.

9. Settlement Administrator. The Settlement Administrator shall be paid for the costs of administration of the Settlement out of the Gross Fund Value as deposited in the Qualified Settlement Fund. The estimate of such costs of administration for the disbursement of the Gross Fund Value is no more than \$7,500.) Any amount awarded for costs of administration to Settlement Administrator, or such other entity upon whom the Parties mutually agree, less than \$7,500 will result in the non-awarded amount to be awarded to Participating Class Members on a proportionate basis to the amount of their Individual Settlement Payments. This estimate includes all tasks required of the Settlement Administrator by this Agreement including the issuance of the Notice, the issuance of settlement checks, the required tax reporting on the settlement amounts, including the issuing of W2 and 1099 forms (if any), the handling of Class Member questions and disputes and the calculation of employee withholding taxes and the employer payroll taxes, which will be remitted to the tax authorities by the Claims Administrator. At least sixteen (16) court days prior to the Final Approval Hearing, the Settlement Administrator shall provide the Court and all counsel for the Parties with a statement detailing the costs of administration of the Gross Fund Value and the breakdown of the Gross Fund Value.

10. Preliminary Settlement Hearing/Alterations to this Agreement. As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary Court approval of the Settlement:

a. Plaintiff shall file a Motion for Preliminary Approval and request a hearing before the

1 Court to request preliminary approval of the Settlement and to request the entry of the Preliminary
2 Approval Order.

3 b. Simultaneous with and/or included in the filing of the Motion for Preliminary Approval,
4 and solely for purposes of this Settlement, Named Plaintiff will request the Court to enter the
5 Preliminary Approval Order, preliminarily approving the proposed Settlement, conditionally certifying
6 the Class, and setting a date for a Final Approval Hearing.

7 c. In conjunction with the Motion for Preliminary Approval, Named Plaintiff will submit
8 this Stipulation and Settlement of Class Action and PAGA Claims Agreement, which sets forth the
9 terms of this Settlement Agreement, and will include proposed forms of all notices and other documents
10 as attached hereto necessary to implement the Settlement. The Order shall provide for Notice of the
11 Settlement to be sent to Class Members as specified herein.

12 d. In the event any provision of the Settlement is rejected by the Court, the Parties will work
13 in good faith to negotiate alteration of the rejected term. The parties agree to use the services of a
14 mediator if informal efforts to negotiate alteration have been exhausted.

15 e. If, following the Parties' good faith efforts and mediation, the Parties cannot agree on
16 alterations, or if ultimately the Court does not grant preliminary or final approval of the Settlement in its
17 entirety, or if the Court's final approval of the Settlement agreement is reversed or materially modified
18 on appellate review, then this Settlement will become null and void. In such case, the Settlement shall
19 not be used or be admissible in any subsequent proceedings, either in this Action, in this Court, or in any
20 other Court or forum.

21 11. Settlement Administration/Management. The Individual Settlement Payments shall be
22 managed and administered as follows:

23 a. Claims administrator, CPT or such other entity upon whom the Parties mutually agree,
24 shall be retained to serve as Settlement Administrator. The Parties each represent they do not have any
25 financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement
26 Administrator that could create a conflict of interest.

27 b. Defendant shall provide the Settlement Administrator the Class List and Data Report
28 within fourteen (14) days of the Preliminary Approval Date.

c. Within twenty one (21) days of receipt of the Class List and Data Report, the Settlement Administrator shall mail the Class Notice, in English, to each Class Member in accordance with Section III, Paragraph 13, infra. Translation to any other language is not required as all of Defendant's employees can read English, according to Defendant.

d. Participating Class Members will be eligible to receive an Individual Settlement Payment, calculated in accordance with Section III, Paragraph 12, infra.

e. The Settlement Administrator shall provide Defendant's Counsel and Class Counsel a weekly report showing the names and number of Class Members who have objected to or requested exclusion from the Settlement (if any). Sixteen (16) court days prior to the Final Approval Hearing, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel a final report showing the names and number of Class Members who have objected to or requested exclusion from the Settlement.

f. The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

g. The Settlement Administrator shall be responsible for: printing and mailing the Notices as directed by the Court; receiving and reporting the objections/requests for exclusion and challenges to the Individual Settlement Payments submitted by Class Members; mailing Individual Settlement Payments to Participating Settlement Class Members and PAGA Payments to Aggrieved Employees; mailing the payment to the Labor Workforce Development Agency; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform (including the calculation and remittance of employer taxes which will be paid by Defendant in addition to Gross Fund Value. The Settlement Administrator shall keep Defendant, Defendant's Counsel and Class Counsel timely apprised of the performance of all Settlement Administrator responsibilities.

h. The Settlement Administrator, on Defendant's behalf, shall have the authority and obligation to make payments, credits and disbursements, including payments and credits in the manner set forth herein to Participating Class Members and Aggrieved Employees, calculated in accordance with the methodology set out in this Agreement and orders of the Court.

i. Any tax return filing required by this Agreement shall be made by the Settlement Administrator. Any expenses incurred in connection with such filing shall be a cost of administration of the Settlement.

j. No person shall have any claim against Defendant or Defendant's Counsel, the Named Plaintiff, Class Members, the Class, Aggrieved Employees, Class Counsel or the Settlement Administrator based on distributions and payments made in accordance with this Agreement.

k. The Claims Administrator will provide to Defendant, as soon as practicable, but no later than 60 days after Preliminary Approval is granted, a fully-executed IRS W-9 form and a completed Supplier Profile and ACH Enrollment Form which Defendant requires to process and issue any payment.

12. Calculation Of Individual Settlement Payments. The Individual Settlement Payments for class members (PAGA members individual settlement payments will be calculated separately as stated below) will be calculated) as follows:

a. The Settlement Administrator will be provided each Class Members' Total Workweeks as defined in Section I, Paragraph 42, supra, based on the Class List and Data Report, which shall be presumed to be correct. A Class Member's workweek is defined as any calendar week during the Class Period in which a Class Member was employed by Defendant in California as a nonexempt employee. If a Class Member disagrees with his or her Total Workweeks, which shall be set forth in the Notice he or she may challenge the Total Workweeks in the manner set forth in Section III, Paragraph 13(c), infra.

b. The Settlement Administrator will calculate the Aggregate Workweek Number by adding the sum of all of the Participating Class Members' Total Workweeks.

c. The Settlement Administrator will divide the Net Fund Value by the Aggregate Workweek Number to calculate the weekly settlement amount (hereafter "Weekly Settlement Amount").

d. The Settlement Administrator will calculate each Class Members' Individual Settlement Award by multiplying his or her Total Workweeks by the Weekly Settlement Amount. Each Class Member's estimated Individual Settlement Award will be indicated on the Notice.

e. The Weekly Settlement Amount and Individual Settlement Award estimates indicated on the Notice are subject to change, depending on factors including: (i) how many Class Members become Excluded Class Members (resulting in their Total Workweeks being removed from the final Aggregate

1 Workweek Number, thereby increasing the final weekly settlement amount); (ii) any changes to the Total
2 Workweeks resulting from challenges to Total Workweeks submitted by Class Members resulting in
3 workweek adjustments, which may increase or decrease the final Aggregate Workweek Number and the
4 final weekly settlement amount; and (iii) any increases or reductions in the Net Fund Value which may
5 result from, inter alia, changes to the actual amount of Attorneys' Fees, Attorneys' Costs, Named
6 Plaintiff's Service Award, PAGA Payment, and/or Settlement Administration Costs approved by the
7 Court.

8 f. Each Participating Class Member's Individual Settlement Payment will be allocated as
9 follows: (a) 10% as wages; and (b) 90% as interest and penalties. The portion allocated to wages ("Wage
10 Component") shall be reported on an IRS Form W-2 and the portions allocated to interest and penalties
11 (the "Non-Wage Component") shall be reported on an IRS Form-1099 by the Claims Administrator.

12 g. The employee's portion of employment taxes, including payroll deductions for state and
13 federal withholding taxes, and any other applicable payroll deductions, shall be made from each
14 Participating Class Members Wage Component, resulting in a "Net Wage Component." The Claims
15 Administrator will issue a W-2 for the Wage Component.

16 (1) No withholding shall be made on the Non-Wage Component of the settlement. The Claims
17 Administrator will issue an IRS Form 1099 for the Non-Wage Component.

18 (2) The Net Wage Component shall be added to the Non-Wage Component, resulting in each
19 Participating Class Members Individual Settlement Payment.

20 h. The Settlement Administrator, on Defendant's and Class Counsel's collective behalf, shall
21 have the authority and obligation to make payments, credits and disbursements, including payments and
22 credits in the manner set forth herein, to Class Members calculated in accordance with the methodology
23 set out in this Agreement and orders of the Court. The Settlement Administrator shall be responsible for
24 calculating and withholding all required state and federal taxes.

25 i. No person shall have any claim against Defendant, Defendant's Counsel, the Named
26 Plaintiff, the Class, Class Counsel, or the Settlement Administrator based on any errors or omissions in
27 the distributions and payments that are required to be made in accordance with the terms of this
28 Agreement.

j. The PAGA Payment shall be managed and administered as follows:

(1) Defendant shall provide the Settlement Administrator the number of Aggrieved Employees and the amount of the Pay Periods (as defined in Section I, Paragraph 43) worked by each Aggrieved Employee within fourteen (14) days of the Preliminary Approval Date.

(2) Within twenty-one (21) days of receipt of the number of Aggrieved Employees and the amount of the aggrieved employees pay periods, the Settlement Administrator shall mail the Notice to each Aggrieved Employee in accordance with Section III, Paragraph 13, infra.

(3) The Settlement Administrator shall pay \$2,559.37 (75% of the PAGA payment) to the LWDA.

k. The individual settlement payment for PAGA members shall be calculated as a follows: The Settlement Administrator will be provided both PAGA members Total PAGA Pay Periods as defined in Section I, Paragraph 31 and each individual PAGA members individual Pay Periods as defined Paragraph 43, supra, based on the Class List and Data Report, which shall be presumed to be correct.

(1) The Settlement Administrator will determine the number of Aggrieved Employees and the amount of the Aggrieved Employees pay periods, which shall be presumed to be correct.

(2) The Settlement Administrator will divide the \$853.13 (25% of the total PAGA payment) by the amount of Total PAGA Pay Periods to obtain the amount per pay period owed (hereafter "PAGA Pay Period Settlement Amount").

l. The Settlement Administrator will calculate each PAGA Member's Payment by multiplying his or her Pay Periods as defined above in Section I, Paragraph 43 by the PAGA Pay Period Settlement Amount. Each PAGA Member's estimated PAGA MEMBER's PAYMENT shall be indicated on the Notice.

m. Even if a PAGA Member opts out of being a Class Member, he or she is still a PAGA Member. For the avoidance of doubt, no PAGA Member may opt out of the settlement and all PAGA Members are subject to the PAGA release.

n. Each PAGA Member's Payment shall be allocated as 100 percent penalties and shall be reported on an IRS Form-1099 by the Claims Administrator

o. No person shall have any claim against Defendant, Defendant's Counsel, the Named Plaintiff, the Class, Class Counsel, or the Settlement Administrator based on any errors or omissions in the distributions and payments that are required to be made in accordance with the terms of this

Agreement.

13. Notice To Class Members and Aggrieved Employees. Notice of the Settlement shall be provided to all Class Members and Aggrieved Employees using the following procedures:

a. Notice By First-Class Mail. Within twenty one (21) days after receipt of the Class List and Data Report, the Claims Administrator shall mail the Class Notice, which has been mutually approved by counsel for the Parties, to the Class Members via first-class regular U.S. Mail. The Class Notice is substantially in the form annexed hereto as Exhibit A. Prior to mailing, the Claims Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes. If a new address is obtained by a way of a returned Class Notice, then the Claims Administrator shall promptly forward the original Class Notice to the updated address via first-class regular U.S. mail indicating on the original Class Notice the date of such re-mailing.

b. No Requirement for a Claim Form. Class Members shall not be required to submit a Claim Form to receive an Individual Settlement Payment.

c. Objection/Exclusion Deadline Date and Deadline to Challenge Total Workweeks: Class Members will have forty five (45) calendar days from the mailing of the Class Notice to submit an objection and/or request for exclusion from the Settlement, or challenge the Total Workweeks indicated on their Class Notice. Those Class Members who receive a re-mailed Class Notice (as a result of the Settlement Administrator locating an updated address by way of skip-trace search, forwarding address provided by the post office, or request from the Parties or Class Members), will have the later of (a) fifteen (15) calendar days from the date the Class Notice is re-mailed or (b) the Response Deadline to postmark, email or send a facsimile for a request for exclusion, objection, or dispute regarding Workweeks to the Settlement Administrator ("Extended Response Deadline").

d. Procedure For Undeliverable Notices. Any Class Notices returned to the Settlement Administrator as non-delivered on or before the Objection/Exclusion Deadline Date shall be sent to the forwarding address affixed thereto within five (5) business days. If no forwarding address is provided, then the Settlement Administrator shall promptly attempt to determine a correct address using a single skip-trace, computer or other search using the name and address of the individual involved, and shall

1 then perform a single re-mailing within five (5) business days. In the event the procedures in this
2 paragraph are followed and the intended recipient of a Notice still does not receive the Notice, the Class
3 Member shall be bound by all terms of the Settlement and any Final Judgment entered by the Court if
4 the Settlement is approved by the Court.

5 e. No later than sixteen (16) court days prior to the Final Approval Hearing, the Settlement
6 Administrator shall provide Defendant's Counsel and Class Counsel: (i) the names and contact
7 information of the Class Members objecting to or requesting exclusion from the Settlement; and (ii) the
8 settlement amount that will be paid to each Participating Class Member based on the Court's
9 Preliminary Approval Order, Excluded Class Members, and any workweek adjustments that occurred
10 during the notice process

11 14. Procedure For Payment Of Individual Settlement Payments:

12 a. Except for Excluded Class Members, all Participating Class Members will receive an Individual
13 Settlement Payment.

14 b. Individual Settlement Payments for Class Members shall be paid exclusively from the Qualified
15 Settlement Fund, pursuant to the settlement formula set forth herein, and shall be mailed within ten (10)
16 business days after Defendant delivers the required funds to the Settlement Administrator for deposit into
17 the Qualified Settlement Fund.

18 c. Should any question arise regarding the determination of eligibility for, or the amounts of, any
19 Individual Settlement Payment under the terms of this Agreement, Class Counsel and Defendant's
20 Counsel shall meet and confer in an attempt to reach agreement. If they cannot agree, the Settlement
21 Administrator shall make the final determination, and that determination shall be conclusive, final and
22 binding on all Parties, including all Class Members.

23 d. Any checks issued by the Settlement Administrator to Participating Class Members shall be negotiable
24 for one hundred and eighty (180) calendar days. Those funds represented by Settlement checks returned
25 as undeliverable and those Settlement checks remaining uncashed for more than 180 days after issuance
26 (collectively, "Uncashed Settlement Checks") shall be distributed to the Controller of the State of
27 California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section
28 1500 et seq. for the benefits of those Settlement Class Members who did not cash their checks until such
time they claim their property. The parties agree that this disposition results in no "unpaid residue" under

California Civil Procedure Code Section 384, as the entire Net Fund Value (NFV) will be paid out to Settlement Class Members, whether or not they all cash their settlement checks.

e. Although Participating Class Members and PAGA Members do not timely cash their Individual Settlement Payments shall not immediately receive the monies from those checks, such persons shall nonetheless be Participating Class Members and PAGA Members and will be bound by all terms of the Settlement and any Final Judgment entered in this Class Action if the Settlement is approved by the Superior Court, including the release of the Released Claims. If a participating Class Member does not timely cash their Individual Settlement Payment, the Parties shall face no liability as a result.

15. Defendants shall have the right to cancel the Settlement with the exception of the portion of the Settlement pertaining to PAGA in the event the number of Excluded Class Members exceeds ten percent (10%) of the Class. PAGA Members may not opt of the settlement and will receive the Net PAGA Amount regardless of whether or not they are Excluded Class Members.

16. Claims Deemed Waived. Any Class Member who does not request exclusion as set forth above is deemed to be a Participating Class Member and thereby is deemed to have released the Released Claims against Released Parties as set forth herein, regardless of whether or not they timely cash their Individual Settlement Payment. All PAGA Members, regardless of whether or not he or she requests exclusion from the settlement, is deemed to have released all claims outlined in the PAGA Release.

17. Certification By Settlement Administrator. Upon completion of administration of the distributions, the Settlement Administrator shall provide written certification of such completion to the Court and counsel for all Parties.

18. Final Approval Hearing And Entry Of Final Judgment. Upon expiration of the Objection/Exclusion Deadline Date, with the Court's permission, a Final Fairness Hearing shall be conducted to determine final approval of the Settlement along with the amount properly payable for (i) the Attorneys' Fees and Cost Award, (ii) any Service Awards, and (iii) Settlement Administration Costs. The Final Fairness Hearing shall not be held earlier than twenty five (25) calendar days from Objection/Exclusion Deadline Date. Upon final approval of the Settlement by the Court, Class Counsel shall prepare and the Parties shall present the Final Approval Order and Judgment, in a form agreed to in advance by the Parties, for the Court's approval. After entry of the Final Approval Order and Judgment, the Court shall have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and

1 enforcement of the terms of the Settlement; (ii) Settlement administration matters; and (iii) such post-
2 Final Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

3 19. Defendant shall discharge its obligations to the Class Members through funding of the
4 Gross Fund Amount as set forth hereinabove, regardless of whether checks representing individual
5 settlement sums are actually received and/or negotiated by Participating Class Members. Once Defendant
6 has complied with the obligations set forth in this Joint Stipulation and Settlement of Class Action Claims,
7 it will be deemed to have satisfied all terms and conditions under this Settlement Agreement, and shall
8 have no further obligations under the terms of the Settlement Agreement regardless of what occurs with
9 respect to those sums.

10 20. Nullification Of Settlement Agreement. In the event: (i) the Court does not finally approve
11 the Settlement as provided herein; or (ii) the Court does not enter a Final Approval Order as provided
12 herein, which becomes final as a result of the occurrence of the Effective Date, this Settlement Agreement
13 shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement
14 shall be treated as void from the beginning. In such a case, the Parties and any funds to be awarded under
15 this Settlement shall be returned to their respective statuses as of the date and time immediately prior to
16 the execution of this Agreement, and the Parties shall proceed in all respects as if this Settlement
17 Agreement had not been executed. In the event an appeal is filed from the Court's Final Judgment, or any
18 other appellate review is sought prior to the Effective Date, administration of the Settlement shall be stayed
19 pending final resolution of the appeal or other appellate review, as well as any fees incurred by the
20 Settlement Administrator prior to it being notified of the filing of an appeal from the Court's Final
21 Judgment, or any other appellate review.

22 21. No Effect On Employee Benefits. Neither the Individual Settlement Payments nor the Service
23 Award to Named Plaintiff shall be deemed to be pensionable earning and shall not have any effect on the
24 eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement
25 plans, etc.) of the respective Named Plaintiff or Participating Class Members. The Parties agree that any
26 Individual Settlement Payments to Participating Class Members under the terms of this Agreement do not
27 represent any modification of the Participating Class Members' previously credited hours of service or
28 other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan
sponsored by Defendant. Further, any Individual Settlement Payment, or Service Award hereunder shall

not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Neither Defendant nor Named Plaintiff are opining on the terms of any such Plan, each of which speaks for itself.

22. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning the interpretation, calculation or payment of settlement claims, or other disputes regarding compliance with this Agreement shall be resolved as follows:

- a. If the Named Plaintiff or Class Counsel, on behalf of the Named Plaintiff or any Class Member, or the Defendant at any time believes that the other Party has breached or acted contrary to the Agreement, that Party shall notify the other Party in writing of the alleged violation.
- b. Upon receiving notice of the alleged violation or dispute, the responding Party shall have ten (10) calendar days to correct the alleged violation and/or respond to the initiating Party with the reasons why the Party disputes all or part of the allegation.
- c. If the response does not address the alleged violation to the initiating Party's satisfaction, the Parties shall negotiate in good faith for up to ten (10) calendar days to resolve their differences.
- d. If Class Counsel and Defense counsel are unable to resolve their respective parties' differences after twenty (20) calendar days referenced in Section III, Paragraph 22(a)-(c), supra, either Party may elect to file (1) an appropriate Code of Civil Procedure section 664.6 motion for enforcement with the Court, or (2) take any other legal action to enforce this Settlement Agreement.
- e. In the event that the Court does not agree to adopt the above dispute resolution procedure as part of its Order granting final approval to the Settlement, then the above provisions for Dispute Resolution (Section III, paragraph 22(a)-(d)) are null and void, the remainder of the settlement is unaffected, and the parties shall remain free to submit disputes and/or motions for enforcement of the settlement via appropriate noticed motion or ex parte application as though Section III, paragraph 22 was not included herein.

23. No Retaliation. Defendant shall not take any adverse action against any Class Member

1 because of the existence of, and/or participation in, the Settlement, or because they choose to benefit from
2 the Settlement or to object to the Settlement. Defendant shall not take action to discourage Class Members
3 from participating in the Settlement.

4 24. Exhibits And Headings. The terms of this Agreement include the terms set forth in any
5 attached Exhibit A which is incorporated by this reference as though fully set forth herein. Any exhibits
6 to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or
7 sections of this Agreement are inserted for convenience of reference only and do not constitute a part of
8 this Agreement.

9 25. Interim Stay Of Proceedings. The Parties agree to hold all proceedings in the Action,
10 except such proceedings necessary to implement and complete the Settlement, in abeyance pending the
11 Settlement Hearing to be conducted by the Court.

12 26. Amendment Or Modification. This Agreement may be amended or modified only by a
13 written instrument signed by counsel for all Parties or their successors-in-interest and with Court approval.

14 27. Entire Agreement. This Agreement and any attached exhibits constitute the entire
15 agreement among these Parties, and no oral or written representations, warranties or inducements have
16 been made to any Party concerning this Agreement or its exhibits other than the representations, warranties
17 and covenants contained and memorialized in such documents. Defendant shall not be required as part of
18 the Settlement to modify or eliminate any of its personnel, compensation or payroll practices, or adopt
19 any new personnel, compensation or payroll practices.

20 28. Authorization To Enter Into Settlement Agreement. Counsel for all Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement
22 and to take all appropriate action required or permitted to be taken by such Parties pursuant to this
23 Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of
24 this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to
25 effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the
26 form or content of any document needed to implement the Settlement, or on any supplemental provisions
27 that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance
28 of the Court to resolve such disagreement. The persons signing this Agreement on behalf of Defendant
represents and warrants that they are authorized to sign this Agreement on behalf of Defendant.

1 29. Binding On Successors And Assigns. This Agreement shall be binding upon, and inure to
2 the benefit of, the successors or assigns of the Parties hereto, as previously defined.

3 30. California Law Governs. All terms of this Agreement and the exhibits hereto shall be
4 governed by and interpreted according to the laws of the State of California.

5 31. No Public Disclosure prior to Preliminary Approval: Named Plaintiff, Defendant, and Class
6 Counsel will not make any public disclosure of the Settlement until after the filing of the Application for
7 Preliminary Approval of the Settlement. Named Plaintiff, Defendant, and Class Counsel represent that
8 they have not made any such disclosure. The foregoing shall not preclude Named Plaintiff or Class
9 Counsel from advising Class Members regarding this Settlement. This section does not preclude Class
10 Counsel or Named Plaintiff from performing their duties as Class Counsel and/or Class Representative.
11 This section does not preclude the posting of the Order and Judgment of Final Approval on the Settlement
12 Administrator's website. Notwithstanding the foregoing, the Parties agree that Defendant may make such
13 disclosures that in Defendant's judgment are required in the ordinary course of business, except that
14 Defendant and its counsel shall not encourage Class Members to opt out. Thereafter, Class Counsel and
15 Named Plaintiff agree not to publicize the terms of this Settlement with the media or others, including but
16 not limited to, any newspaper, journal, magazine, website, and/or on-line reporter of settlements. Class
17 Counsel may also include references to this Settlement in their curriculum vitae, for purposes of
18 presentations in court filings only.

19 32. Counterparts. This Agreement may be executed in one or more counterparts. All executed
20 counterparts and each of them shall be deemed to be one and the same instrument provided that counsel
21 for the Parties to this Agreement shall exchange among themselves original signed counterparts.

22 33. This Settlement Is Fair, Adequate And Reasonable. The Parties believe this Settlement is
23 a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive
24 arms-length negotiations, taking into account all relevant factors, present and potential.

25 34. Jurisdiction Of The Court. The Court shall retain jurisdiction, pursuant to Code of Civil
26 Procedure Section 664.6 or otherwise, with respect to the interpretation, implementation and enforcement
27 of the terms of this Agreement and all orders and judgments entered in connection therewith, and the
28 Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting,
implementing and enforcing the settlement embodied in this Agreement and all orders and judgments

entered in connection therewith.

35. Cooperation And Drafting. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall not be construed against any of the Parties.

1/25/2023

PLAINTIFF

Danelle Skinner

Dated: _____

Danelle Skinner

Represented By:

KOKOZIAN LAW FIRM, APC

Dated: 1/25/23

By: _____

[Signature]
Bruce Kokozian, Esq.

Attorneys for Plaintiff

**DEFENDANT CARBON ACTIVATED
CORPORATION**

Dated: _____

By: _____

Their: _____

Represented by :

Dated: _____

GORDON REES SCULLY MANSUKHANI, LLP.

Christopher B. Cato, Esq.

Attorneys for

Defendant

entered in connection therewith.

35. Cooperation And Drafting. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall not be construed against any of the Parties.

PLAINTIFF

Dated: _____

Danelle Skinner
Represented By:

KOKOZIAN LAW FIRM, APC

Dated: _____

By: _____
Bruce Kokozyan, Esq.
Attorneys for Plaintiff

**DEFENDANT CARBON ACTIVATED
CORPORATION**

Dated: 2.9.2023

By: Lionel M Perera

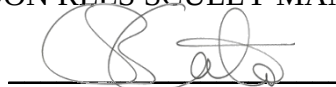


Their: _____

Represented by :

Dated: Feb. 16, 2023

GORDON REES SCULLY MANSUKHANI, LLP.



Christopher B. Cato, Esq.

Attorneys for

Defendant

Exhibit “A”

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Skinner v Carbon Activated Corporation

Superior Court of California for the County of Los Angeles, Case No. 21STCV37888

PLEASE READ THIS NOTICE

A settlement of a class and representative action under the Private Attorneys General Act, California Labor Code sections 2699, *et seq.* (“PAGA”) against Defendant Carbon Activated Corporation. (“CAC”) has been preliminarily approved. The settlement is between Plaintiff, CAC, all current and former non-exempt employees who worked for CAC in California at any time between November 19, 2020 through August 16, 2022] (“Class Members”), and all current and former employees of CAC who were employed in California, as a non-exempt hourly paid employee during the PAGA Period of November 19, 2020 through August 16, 2022 (“Aggrieved Employees”). In the lawsuit, plaintiff Danelle Skinner (“Plaintiff”) alleged that CAC violated California’s wage and hour laws by failing to properly compensate Class Members for all hours worked and at the correct overtime rate, failing to provide Class Members with compliant meal and/or rest periods or compensation in lieu thereof, failing to provide accurate wage statements, failing to timely pay all wages owed during employment and upon termination, and violating section 17200, *et seq.* of California’s Business and Professions Code. **CAC denies Plaintiff’s allegations and contends that it complied with California’s wage and hour laws at all times.**

You have been identified by CAC’s records as a Class Member (Please review Section 3. THE SETTLEMENT TERMS AND CALCULATION OF PAYMENTS below to see whether you have also been identified as an Aggrieved Employee) in the above-entitled action, and as such, you are subject to the terms of the Joint Stipulation and Settlement of Class Action and Private Attorneys General Act Claims (“Settlement,” “Agreement,” or “Settlement Agreement”) that was preliminarily approved by the Court. Please read this notice carefully. It may affect your legal rights.

YOUR LEGAL RIGHTS AND OPTIONS WITH RESPECT TO THE SETTLEMENT	
The Court Preliminarily Approved the Settlement. The Court must still issue a Final Approval Order of the Settlement. If the Court does not issue a Final Approval Order of the Settlement, then your rights will not be impacted by your selection below.	
Participate in the Class Settlement	If you want to receive an Individual Settlement Payment and agree to be bound by the Class Settlement, then you do not need to do anything.
Participate in the PAGA Settlement	You will automatically receive an Individual PAGA Payment and will be bound to the PAGA Settlement if the Court issues a Final Approval Order of the Settlement.
Exclude Yourself from the Class Settlement	If you do not want to be bound by the Class Settlement, you must follow the instructions in Section 6. “WHAT IF I DON’T WANT TO PARTICIPATE IN THE CLASS SETTLEMENT?” to exclude yourself from the Class Settlement. If you exclude yourself from the Class Settlement, you will not be issued an Individual Settlement Payment , and you will not release the Settled Class Claims (Released Claims) against Released Parties defined in Section 4. “WHAT AM I RELEASING UNDER THE CLASS SETTLEMENT?” below.

	Even if you exclude yourself from the Class Settlement, you will still be bound by the PAGA Settlement and receive an Individual PAGA Payment.
Object to the Class Settlement	If you want to object to the Class Settlement, you must follow the instructions in Section 7. “WHAT IF I WANT TO OBJECT TO THE CLASS SETTLEMENT?.” If you object, you will still be bound by the terms of the Class Settlement if the Court issues a Final Approval Order of the Settlement.

1. WHY DID I GET THIS NOTICE?

You have received this Notice because CAC’s records reflect that you are a Class Member. This Notice provides you with information about: (1) the terms of the Settlement, including the claims that are being released; (2) the total monetary amount of the Settlement; (3) your estimated Individual Settlement Payment that you will receive if you remain in the Settlement; (3) your estimated Individual PAGA Payment; and (4) where to find additional information regarding the case and the Settlement.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT.

2. WHAT IS THIS CASE ABOUT?

Plaintiff filed a Complaint for Damages on behalf of himself and CAC’s non-exempt employees on October 14, 2021 in the Superior Court of California, County of Los Angeles. The Lawsuit is titled *Danelle Skinner v. Carbon Activated Corporation* and the case number 21STCV37888 (the “Action”).

On November 19, 2021, Plaintiff also provided the Labor and Workforce Development Agency of his intent to pursue civil penalties against Defendants under the Private Attorneys General Act for alleged violations of the California Labor Code and applicable Industrial Welfare Commission Wage Orders. (the “PAGA Notice”).

On January 11, 2022, Plaintiff filed a First Amended Class Action Complaint (“Complaint”). This is considered the operative Complaint.

The operative Complaint in the Action alleges CAC: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to pay overtime wages at the legal overtime rate (4) failed to provide meal periods or compensation in lieu thereof; (5) failed to provide rest periods; (6) failed to timely furnish accurate itemized wage statements; (6) violated labor code § 203; (8) engaged in unfair business practices in violation of Business and Professions Code sections 17200, *et seq.*; and (9) owes civil penalties under the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”).

CAC denies any liability or wrongdoing of any kind. CAC contends, among other things, that they complied at all times with the California Labor Code, Industrial Welfare Commission Wage Orders, and the Business and Professions Code, and that their employees were correctly and timely paid all wages, and that meal periods and rest breaks are provided as required by applicable law.

The Court has not ruled on the merits of Plaintiff’s claims. By preliminarily approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case on the merits. Rather, the Court

has determined only that there is sufficient evidence to determine on a preliminary basis that the Settlement is fair, adequate, and reasonable and any final determination of those issues will be made at the Final Approval Hearing that is scheduled to take place on [date] at [time] (see Section 8. “WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?” below for more information). **CAC reserves the right, if for any reason the Settlement fails, to contest any factual or legal allegations, including to contest whether the Action should proceed as a class or representative action.**

3. THE SETTLEMENT TERMS AND CALCULATION OF PAYMENTS

Without admitting any wrongdoing, and to avoid the business disruptions caused by litigating the Action, the parties have agreed to a Settlement. CAC has agreed to pay One Hundred Thirteen Thousand Seven Hundred Fifty Dollars (\$113,750) to settle the Action (“Gross Fund Value”).

The following amounts will be deducted from the Gross Fund Value, subject to Court approval prior to distribution of the Settlement to the Class Members and PAGA Members:

- Service Award to Plaintiff Danelle Skinner for his service as Class Representative in the amount of Five Thousand Dollars and Zero Cents (\$5,000.00);
- Attorneys’ fees not to exceed Thirty-Seven Thousand Nine Hundred Sixteen Dollars Sixty-Six Cents (\$37,916.66) to Class Counsel (“Attorneys’ Fees”);
- Reimbursement of litigation costs and expenses in an amount up to Fourteen Thousand Dollars and Zero Cents (\$14,000) to Class Counsel (“Attorneys’ Costs”);
- The amount of Three Thousand Four Hundred Twelve Dollars Fifty Cents (\$3,412.50) allocated to the payment of civil penalties under PAGA (the “PAGA Payment”), of which seventy-five percent (75%) (i.e., \$2,559.37) will be paid to the Labor and Workforce Development Agency (“LWDA Payment”) and the remaining twenty-five percent (25%) (i.e., \$853.13) shall be paid to PAGA Members (“Net PAGA Distribution Amount”);
- The costs associated with administration of the Settlement, estimated to be \$7,500 (XX) (“Settlement Administration Costs”).

In addition, Defendants must also deposit the employer side share of payroll taxes.

The amount remaining from the Gross Fund Value after deducting the Attorneys’ Fees and Cost Awards, Service Award, and Settlement Administration Costs is called the “Net Fund Value.” For avoidance of doubt, the Net Fund Value does not include the PAGA Payment.

The Net Fund Value will be allocated to all Class Members who do not submit a timely and valid Opt Out Request (“Settlement Class Members”) on a *pro rata* basis, based on their number of Workweeks the Class Member worked during the Class Period compared to the total Workweeks worked by all Class Members during the Class Period.

To calculate each Class Member’s Individual Settlement Award, the Settlement Administrator will first calculate a workweek value by dividing the Net Fund Value by the total number Workweeks worked by all Settlement Class Members (“Weekly Settlement Amount”). The Settlement Administrator will then determine each Individual Class Member’s share by multiplying the Weekly Settlement Amount by the number of workweeks the Class Member worked during the Class Period (“Individual Settlement Award”).

The Net PAGA Distribution Amount will also be allocated to PAGA Members on a *pro rata* basis, based on their number of Workweeks worked by PAGA Members during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator will determine the value of a single PAGA Workweek by dividing the Net PAGA

Distribution Amount by the total number PAGA Workweeks worked by all PAGA Members. Each PAGA Member shall receive a PAGA Payment equal to his or her PAGA Workweeks multiplied by the value of a single PAGA Workweek.

You have been credited with [redacted] Workweeks. Based on these Workweeks, your gross Individual Settlement Payment, prior to any applicable withholdings, is estimated to be \$ [redacted].

You [are / are not] considered to be a PAGA Member, and have been credited with [redacted] PAGA Workweeks. Based on these PAGA Workweeks, the PAGA Payment you will receive under the Settlement is estimated to be \$ [redacted].

You may submit a written dispute to the number of Workweeks and/or PAGA Workweeks allocated to you (“Workweeks Dispute”) to the Settlement Administrator. Your Workweeks Dispute must: (1) contain your full name, address, and telephone number and the case name and number of the Action (i.e., *Danelle Skinner. v. Carbon Activated Corp.*, Los Angeles County Superior Court, Case No. 21STCV37888); (2) be signed by you; (3) be postmarked or fax stamped on or before [Response Deadline] and returned to the Settlement Administrator at the address or fax number listed below; (4) clearly state the number of Workweeks and/or PAGA Workweeks you believe is correct; and (5) attach any documents you have to support your dispute.

CPT Group, Inc.
[mailing address]
[fax number]

Of the Individual Class Settlement, 10% will be allocated to wages (“wage component”) and subject to all applicable employee state and federal tax withholdings, and the remaining 90% will be allocated as non-wages (e.g. penalties, restitution and interest) (“non-wage component”). The wage component will be reported on an IRS form W-2, and the non-wage component will be reported on an IRS form 1099 (if required).

One hundred percent (100%) of each Individual PAGA Payment will be allocated as penalties and be reported on an IRS form 1099 (if required).

Class Members are responsible for accurate payment of taxes on any amounts received. This Notice is not tax advice and you should consult your tax advisor. Checks will be valid and negotiable for one hundred eighty (180) days; after that, checks will be cancelled and the funds associated with cancelled checks will be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500 et seq. for the benefits of those Settlement Class Members who did not cash their checks until such time they claim their property.

Settlement Class Members and PAGA Members who fail to deposit or negotiate their check(s) in a timely fashion are still subject to the terms of the Agreement and the Final Approval Order and Judgment.

You have been credited with [redacted] Workweeks. Based on these Workweeks, your gross Individual Settlement Payment, prior to any applicable withholdings, is estimated to be \$ [redacted].

You have been credited with [redacted] PAGA Workweeks. Based on these PAGA Workweeks, the PAGA Payment you will receive under the Settlement is estimated to be \$ [redacted].

If you do not agree with your workweeks stated above, you may submit a written dispute to the number of Workweeks and/or PAGA Workweeks allocated to you (“Workweeks Dispute”) to the Settlement Administrator.

Your Workweeks Dispute must: (1) contain your full name, address, and telephone number and the case name and number of the Action (i.e., *Danelle Skinner v. Carbon Activated Corporation*, Los Angeles County Superior Court, Case No. 21STCV37888); (2) be signed by you; (3) be postmarked or fax stamped on or before [Response Deadline] and returned to the Settlement Administrator at the address or fax number listed below; (4) clearly state the number of Workweeks and/or PAGA Workweeks you believe is correct; and (5) attach any documents you have to support your dispute.

CPT Group, Inc.

[mailing address]

[fax number]

4. WHAT AM I RELEASING UNDER THE CLASS SETTLEMENT?

If and when the Court grants final approval of the Settlement, all Class Members who do not submit a timely and valid Opt Out Request (i.e., Settlement Class Members) shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all Settled Class Claims against any and all Released Parties. This release will take effect on the “Effective Date” to the date CAC funds the settlement, whichever comes later.

“Released Parties” means and refers to Defendants Carbon Activated Corporation and its past, present and future officers, directors, parents, subsidiaries, predecessors, successors, assigns, affiliates, joint employers, co-employers, PEOs, joint obligors, affiliated or related companies, divisions, fiduciaries, trustees, partners, investors, insurers, owners, operators, principals, agents, administrators, shareholders, principals, members, partners, consultants, attorneys, employees, and each of their respective agents, employees, insurers, partners, associates, successors, joint employers, co-employers, affiliates, and assigns, in any and all capacities (including but not limited to the fiduciary, representative, or individual capacity of any released person or entity), and any entity owned in whole or part by or affiliated with any of the above.

Released Claims” is defined as follows: Upon the Effective Date and the date the Defendant fully funds the Gross Fund Value, Participating Class Members shall fully and finally release and discharge the Released Parties from only the following: all claims, rights, demands, damages, liabilities and causes of action, contingent or vested, in law or in equity and arising at any time during the Class Period, for unpaid wages or other compensation, and/or related penalties, interest, costs, attorneys’ fees, punitive damages, and/or injunctive or other equitable remedies, allegedly owed or available, for claims arising out of, or related to the claims, allegations and operative facts asserted in the operative First Amended Complaint, including claims: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to pay overtime wages at the legal overtime pay rate; (4) failure to provide meal periods in violation of labor code sections 226.7, 512, 558, and 1198; (5) failure to provide rest periods in violation of labor code section 226.7 and applicable I.W.C. Wage Orders; (6) failure to timely furnish accurate itemized wage statements (Labor Code section 226); (7) failure to pay waiting time penalties in violation of labor code sections 201, 202, 203 and 558; ((8) Unfair Business Practices in Violation of Business and Professions Code section 17200, et. seq. based on the preceding claims. Participating Class Members that are also PAGA members also release the claims outlined in the PAGA release. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5. WHAT AM I RELEASING UNDER THE PAGA SETTLEMENT?

As of the Effective Date and full funding of the PAGA Payment, the Aggrieved Employees, with respect to employment of Plaintiff and all PAGA Members, shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties of and from any and all Settled PAGA Claims. The Settlement will release any further attempt, by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and every PAGA Member to obtain any recovery based on the Settled PAGA Claims.

“PAGA Release” is defined as follows: Upon Defendant fully funding the PAGA Payment, the Aggrieved Employees for the PAGA Period shall fully and finally release and discharge only the following: any and all claims pursuant to the California Labor Code and/or the Private Attorneys General Act of which were asserted in Plaintiff’s notice to the LWDA or reasonable could have been asserted based on the facts alleged in Plaintiff’s notice to the LWDA or the operative First Amended Complaint, and arising during the PAGA Period, including but not limited to those claims based on the following categories of allegations as set forth in Plaintiff’s notice to the LWDA: (a) all claims for unpaid overtime wages; (b) all claims for unpaid minimum wages; (c) all claims for failure to pay overtime wages including failing to pay overtime at the legal overtime pay rate; (d) all claims for failure to provide meal periods or failing to provide premium wages; (e) all claims for failure to authorize and permit rest periods or failing to provide premium wages; (f) all claims for the failure to promptly pay all wages due and owing at the end of an employee’s employment including claims for penalties under Labor Code sections 201, 202, and 203; and (g) all claims for the failure to issue timely and properly itemized wage statements. Any Aggrieved Employee is subject to the PAGA Release upon the Effective Date and upon Defendant fully funding the PAGA Payment even if they are also a Class Member and they request exclusion from the class, so they are not a participating class member. For the avoidance of doubt, Aggrieved Employees have no right to opt out of the PAGA Release. Released Parties is defined in Section 4 of this Notice, above.

PAGA MEMBERS CANNOT OPT-OUT OR EXCLUDE THEMSELVES FROM THE PAGA SETTLEMENT OR THE RELEASE OF SETTLED PAGA CLAIMS, AND WILL BE ISSUED AN INDIVIDUAL PAGA PAYMENT EVEN IF THEY OPT-OUT OF THE CLASS SETTLEMENT.

6. WHAT IF I DON’T WANT TO PARTICIPATE IN THE CLASS SETTLEMENT?

As a Class Member, you have the right to request exclusion from the settlement and resolution of the Settled Class Claims (the “Class Settlement”), but, you are not able to exclude yourself from the settlement and resolution of the Settled PAGA Claims (the “PAGA Settlement”).

To exclude yourself from the Class Settlement, you must submit a written request for exclusion to the Settlement Administrator (“Opt Out Request”) at the address or fax number listed in Section 3 of this Notice, above.

A valid and complete Opt Out Request must: (1) contain the full name, address, and telephone number of the Class Member requesting exclusion from the Class Settlement and the case name and number of the Action (i.e., *Danelle Skinner v. Carbon Activated Corp., Los Angeles County Superior Court, Case No. 21STCV37888*); (2) be signed by the Class Member; (3) be postmarked or fax stamped on or before **[Response Deadline]** and returned to the Settlement Administrator at the specified address or fax number listed in Section 3 of this Notice, above;

It is your responsibility to ensure that the Settlement Administrator timely receives your Opt Out Request. Unless you timely request to be excluded from the Class Settlement, you will be bound by the judgment and Class Settlement upon final approval of the Settlement.

Class Members who opt out of the settlement/ request to be excluded from the Class Settlement will NOT be issued an Individual Settlement Payment, and will not release any of the Settled Class Claims. However,

even if a Class Member asks to be excluded from the Class Settlement, the Class Member will still be issued the Individual PAGA Payment and bound to the PAGA Settlement.

7. WHAT IF I WANT TO OBJECT TO THE CLASS SETTLEMENT?

Any Class Member who does not opt out of the Class Settlement may object to the Class Settlement.

If you wish to object, you must submit your objection in writing to the Settlement Administrator (“Objection”). A valid and complete Objection must: (1) contain the full name, address, and telephone number of the objecting Settlement Class Member and the case name and number of the Action (i.e., *Danelle Skinner. v. Carbon Activated Corp., Los Angeles County Superior Court, Case No. 21STCV37888*); (2) be signed by the Settlement Class Member; (3) be postmarked or fax stamped on or before [Response Deadline] and returned to the Settlement Administrator at the specified address or fax number listed in Section 3 of this Notice, above; and (4) give the legal and factual basis for objection to the Class Settlement.

Submitting an objection will **not** exclude you from the Class Settlement. If the Court grants final approval of the Settlement, you will still be issued an Individual Settlement Payment and will be barred from pursuing the Settled Class Claims. **Do not submit both an Objection and Opt Out Request.** If you submit both an Objection and an Opt Out Request, you will be excluded from the Class Settlement and the Objection will not be considered.

8. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on _____, at _____ a.m. in Department _____ of the Superior Court of the State of California, County of Los Angeles, located at _____. The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to (please visit the Court’s website for more information regarding how you can appear).

9. WHO ARE THE ATTORNEYS?

Attorneys for Plaintiff and the Class are:

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The Court has decided that the Attorneys for Plaintiff and the Class are qualified to represent the Class (“Class Counsel”). Other than the Attorneys’ Fees and Costs Award approved by the Court, which will be paid out of the Gross Fund Value, you will not be charged for the services of Class Counsel. If you retain the services of your own attorney in connection with the Action, you will be responsible for paying for those services and related expenses.

10. SHOULD I GET MY OWN LAWYER?

You do not need to get your own lawyer. If you want your own lawyer to speak for you or appear in Court, you have the right to hire one, but you will need to pay for that lawyer yourself.

11. FURTHER INFORMATION

The foregoing is only a summary of the Settlement. For the precise terms and conditions of the Settlement, please contact Class Counsel at the address or telephone number provided in Section 9. “WHO ARE THE ATTORNEYS?”, or by visiting the office of the Clerk of the Superior Court for the State of California County of Los Angeles, located at [REDACTED].

Please visit the Court’s website for the most up-to-date information regarding the impact of COVID-19 on the operations of the Court and any requirements that may apply for accessing Court facilities: <https://www.lacourt.org/>

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK’S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.