PAGA SETTLEMENT AND RELEASE AGREEMENT

This PAGA Settlement and Release Agreement ("Settlement" or "Agreement") is made and entered into by and between Plaintiff Crystaal Washington ("Plaintiff"), as a private attorney general acting on behalf of the State of California pursuant to Labor Code section 2698 et seq., the Private Attorneys General Act ("PAGA") on the one hand, and Defendants Morley Companies, Incorporated and Hyundai Motor America ("Defendants"), on the other hand, hereinafter collectively referred to as the "Parties." Subject to the approval of the Court, the Action (defined below) is hereby being compromised and settled pursuant to the terms and conditions set forth in this Agreement.

A. Definitions.

1. "Action" means *Scott Combs et al. v. Morley Companies, Inc., et al.,* California Superior Court for the County of Orange, Case No. 30-2022-01240353-CU-OE-CXC.

2. "Covered Employees" means all current and former hourly or non-exempt employees who worked for Defendants in California during the Covered Period. Defendants estimates that there are approximately 73 Covered Employees who worked approximately 630 Eligible Pay Periods in the aggregate during the Covered Period.

3. "Covered Employees' Settlement Proceeds" means the twenty-five percent (25%) of the Net Settlement Amount that shall be paid to the Covered Employees as payment of civil penalties under the California Labor Code Private Attorneys General Act ("PAGA").

4. "Covered Period" means the period between January 12, 2021 to May 21, 2021.

5. "Court" means the California Superior Court, County of Orange.

6. "Defendants" means Morley Companies, Incorporated and Hyundai Motor America.

7. "Defendants' Counsel" means Gordon Rees Scully Mansukhani, LLP, including attorneys Mollie M. Burks, Amber A. Eklof, and Hannah F. Diamond.

8. "Effective Date" means: (i) the date that the time to appeal the Judgment entered in the Action approving the Settlement has expired; or (2) the date on which any appeal of the Judgment entered in the Action has been fully and finally resolved in a way that approves and does not alter the terms of the Settlement.

9. "Eligible Pay Periods" means the total number of pay periods during the Covered Period in which a Covered Employee worked for Defendants in California.

10. "Fee and Cost Award" means an award to Plaintiff's Counsel of attorneys' fees and actual costs, to be paid from the Gross Settlement Amount, in amounts approved by the Court and consistent with Paragraph 26(d) below.

11. “Final Order” means the order of the Court approving the Settlement and Release Agreement.

12. “Gross Settlement Amount” means and refers to the non-reversionary, settlement amount of Eighty Thousand Dollars ($80,000.00) that Morley Companies, Incorporated will pay under this Agreement.

13. “LWDA Settlement Proceeds” means the seventy-five percent (75%) of the Net Settlement Amount that shall be paid to the Labor Workforce and Development Agency (“LWDA”).

14. “Net Settlement Amount” means the Gross Settlement Amount less Plaintiff’s Counsel’s Fee and Cost Award, the Service Awards, and the Settlement Administrator Costs, as approved by the Court.

15. “Notice” means the notice that will be sent to the Covered Employees after the Court’s entry of its Final Order approving the Settlement, and shall be similar in form and content to the notice attached hereto as Exhibit A.

16. “Parties” means Plaintiff and Defendants, collectively.

17. “Plaintiff” means Crystaal Washington.

18. “Plaintiff’s Counsel” means Schneider Wallace Cottrell Konecky LLP, including attorneys Carolyn H. Cottrell, and Esther L. Bylsma.

19. “Released Parties” shall collectively mean Defendants and each of their former and present directors, officers, shareholders, owners, attorneys, insurers, reinsurers, predecessors, successors, and assigns.

20. “Service Awards” means an award to Plaintiff and the estate of legal heir(s) of former plaintiff Scott Combs (deceased) to be paid from the Settlement Amount, in amounts approved by the Court and consistent with Paragraph 26(b) below.

21. “Settlement Administrator” means and refers to Phoenix Settlement Administrators, the third-party administrator that will administer the terms of the Settlement.

22. “Settlement Administrator Costs” means and refers to the fees and costs incurred or charged by the Settlement Administrator in connection with its duties under this Agreement.

B. General.

23. On January 12, 2022, former plaintiff Scott Combs (“Combs”), on behalf of the State of California and allegedly aggrieved employees, asserted claims under PAGA in the initial complaint filed in the Action. On August 6, 2024, Plaintiff filed a first amended complaint substituting Crystaal Washington as the named plaintiff and PAGA representative in the Action (“First Amended Complaint”). The operative First Amended Complaint seeks civil penalties under PAGA from Defendants for: (1) meal and rest period violations (Cal. Lab. Code §§ 226.7 and

512); (2) failure to pay for all hours worked (Cal. Lab. Code § 204); (3) failure to pay minimum wage (Cal. Lab. Code §§ 1182.12, 1197); (4) failure to pay overtime wages (Cal. Lab. Code § 510); (5) inaccurate wage statements (Cal. Lab. Code § 226); (6) failure to provide earned wags upon discharge or quitting of employment (Cal. Lab. Code §§ 201, 202); and (7) failure to reimburse necessary business expenses (Cal. Lab. Code § 2802) (collectively, the "Operative Claims").

24. The Parties have conducted a thorough investigation of the Action and litigated the issues vigorously. Litigation efforts included, without limitation, conducting informal discovery; exchanging data and documents relating to Plaintiff and the Operative Claims for the Covered Period; and both Parties briefing regarding disputed issues in the pleadings. Settlement was reached only after extensive settlement negotiations. The Parties and their counsel agree that the settlement set forth in this Agreement is fair, reasonable, and adequate and is in the best interest of the LWDA and the Covered Employees.

25. Neither the Parties' settlement, nor this Agreement, nor the acts to be performed or the orders to be entered pursuant to the terms of this Settlement, shall be construed as an admission by Defendants of any wrongdoing, any violation of any statute or law, or any liability arising from the claims or allegations in the Action. Defendants deny Plaintiff's claims and allegations, deny any liability or wrongdoing of any kind associated with the claims alleged in the Action. Defendants have entered into this Agreement solely for the purpose of compromising highly-disputed claims.

C. Terms of Settlement.

26. Subject to the Court's review and approval, the financial terms of the settlement are as follows:

(a) **Gross Settlement Amount:** Morley Companies, Incorporated will pay a maximum Settlement Amount of Eighty Thousand Dollars ($80,000.00). This Gross Settlement Amount is inclusive of all settlement payments to the State of California and the Covered Employees, any Service Awards, any Fee and Cost Award to Plaintiff's Counsel, and the Settlement Administrator Costs. Defendants will have no other monetary obligations under this Agreement and no portion of the Gross Settlement Amount will revert to Defendants.

(b) **Service Awards:** Plaintiff will be paid a maximum of Ten Thousand Dollars ($10,000.00), and the estate or legal heir(s) to former plaintiff Combs (deceased) will be paid a maximum of Five Thousand Dollars ($5,000.00) as service enhancement awards. Plaintiff intends to request the Court for the Service Awards to (i) compensate Plaintiff for signing an individual release that covers potential claims that exceed the scope of the Operative Claims; and (ii) cover any request for a service enhancement award for Plaintiff and former plaintiff Combs. Defendants do not concede and do not waive any arguments disputing the standing of Plaintiff and/or former plaintiff Combs and his estate of legal heir(s) to serve as a plaintiff in this Action, however, Defendants agree not to oppose Plaintiff's requests for awards up to this amount solely for the purpose of this Settlement. If approved, the Service Awards will be paid out of the Settlement Amount. Plaintiff, in exchange for the Service Award, will additionally release the Released Parties from potential claims she may individually have against them in accordance with Paragraphs 29 and 30 below. Plaintiff and the estate or legal heir(s) to former plaintiff Combs (deceased) will be issued an IRS Form 1099 in connection with the payment of the Service Awards. Plaintiff and the estate/legal heir(s) to former plaintiff Combs shall be solely responsible for paying any and all applicable taxes on the payments. The Parties agree that any denial of the Service Awards by the Court to Plaintiff or the estate/legal heir(s) to former plaintiff Combs, or approval for less than the amount requested, shall not be a basis for either of the Parties to revoke or void this Agreement. If the Court denies any award, or awards less than the amount requested, the difference shall be added to the Net Settlement Amount.

(c) **Settlement Administrator Costs:** The Settlement Administrator Costs shall be paid from the Gross Settlement Amount and will not exceed Two Thousand Five Hundred Dollars ($2,500.00).

(d) **Fee and Cost Award:** Plaintiff's Counsel may apply for an award of (i) attorneys' fees, not to exceed Forty Thousand Two Hundred Eighty Dollars and Forty Cents ($40,280.40); and (ii) actual costs, not to exceed Seven Thousand One Hundred Nineteen Dollars and Sixty Cents ($7,119.60) for costs. Defendants agree not to oppose Plaintiff's Counsel's request for these attorneys' fees and costs. The Fee and Cost Award approved by the Court will be paid out of the Gross Settlement Amount. Plaintiff's Counsel will be issued an IRS Form 1099 in connection with the payment of the Fee and Cost Award. Plaintiff's Counsel shall be solely responsible for paying any and all applicable taxes on this payment. The Parties agree that the a Fee and Cost Award by the Court of less than the amount requested shall not be a basis for either of the Parties to revoke or void this Agreement. If the Court awards less than the amount requested, the difference shall be added to the Net Settlement Amount.

(e) **Allocation of Net Settlement Amount:** After deducting the amounts specified in Paragraphs 26(b) (Service Awards), 26(c) (Settlement Administrator Costs), and 26(d) (Plaintiff's Counsel's Fee and Cost Award) from the Gross Settlement Amount, the balance remaining will form the Net Settlement Amount and will be paid to the Covered Employees and the LWDA as follows:

(1) Covered Employees' Settlement Proceeds. Twenty-five percent (25%) of the Net Settlement Amount will be paid to the Covered Employees.

(2) Seventy-five percent (75%) of the Net Settlement Amount will fund the LWDA Settlement Proceeds and will be paid by the Settlement Administrator to the LWDA in accordance with Paragraph 37, below.

D. Release by the Covered Employees and the State of California.

27. As of the Effective Date, Plaintiff, the Covered Employees, and the State of California will release the Released Parties from the following claims for PAGA penalties, collectively referred to as the "Released Claims" during the Covered Period:

> All claims for PAGA penalties that were alleged or reasonably could have been alleged based on the facts alleged in the operative First Amended Complaint, for the entirety of the Covered Period. Such released claims include, but are not limited to claims for PAGA penalties in connection for Defendants' alleged failure to comply with California Labor §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1182.12, 1197, 2802, and/or applicable Industrial Welfare Commission Wage Orders (collectively, the "Released Claims"). The Released Claims do not include any claims or actions to enforce this Settlement, wage claims, 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 Covered Period.

28. Covered Employees are not eligible to opt out of the Settlement. As a result, the Parties have agreed to the "one-step" approval process common to PAGA settlements.

E. Release by Plaintiff.

29. In addition to the Released Claims, Plaintiff makes the additional general release of all of her individual claims as follows:

> Plaintiff releases the Released Parties from any and all claims, actions, demands, causes of action, suits, debts, obligations, damages, rights, or liabilities of any nature and description whatsoever, known or unknown, that Plaintiff individually may possess against the Released Parties arising from Plaintiff's employment with Defendants.

30. The Parties agree that on the Effective Date, Plaintiff will expressly waive and relinquish all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and will do so understanding and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of California states:

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

F. Settlement Approval and Implemental Procedures.

31. Plaintiff's Counsel will prepare a motion and proposed order for filing with the Court requesting the Court to approve this Settlement and Release Agreement. At least five (5) business days before filing the motion and proposed order with the Court, Plaintiff's Counsel will provide Defendants' Counsel with a draft of the memorandum and proposed order for Defendants' Counsel's review.

32. Plaintiff's Counsel shall thereafter file the motion and proposed order with the Court. In accordance with Labor Code § 2699(l)(2), Plaintiff's Counsel shall also submit the motion (including notice of the hearing date) and this Settlement and Release Agreement to the LWDA on the same day it files the motion and proposed order. Defendants will not oppose Plaintiff's motion and proposed order.

33. On the Effective Date, all Covered Employees will: (i) be bound by the terms and conditions of the Settlement; (ii) be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of this Settlement; and (iii) be entitled to receive a share of the Net Settlement Amount, as set forth herein.

34. Within twenty (20) calendar days after the Effective Date, Defendants will provide the Settlement Administrator a confidential list setting forth the name, last known addresses, Social Security number, and number of Eligible Pay Periods for each Covered Employee. The Settlement Administrator will perform a National Change of Address search on all the Covered Employees to update the addresses of the Covered Employees.

35. Within thirty (30) calendar days after the Effective Date, Defendants shall wire transfer the Gross Settlement Amount to the Settlement Administrator, who will deposit the funds into the bank account established by the Settlement Administrator for purposes of this settlement. All amounts to be paid to the Plaintiff, Covered Employees, Plaintiff's Counsel, Settlement Administrator, and LWDA shall be paid from this account.

36. After the Settlement Administrator deducts the amount of Plaintiff Counsel's approved Fee and Cost Award, Plaintiff's approved Service Award, and the Settlement Administrator Costs from the Gross Settlement Amount, the remaining balance will constitute the Net Settlement Amount, which will be distributed as set forth herein.

37. Within ten (10) calendar days of receiving the wire transfer from Defendants, the Settlement Administrator shall: (i) mail the settlement checks to the Covered Employees; (ii) mail a check for the LWDA Settlement Proceeds to the LWDA; (iii) mail checks for any approved Service Awards to the Plaintiff and/or former plaintiff Combs; and (iv) pay Plaintiff's Counsel's approved Fee and Cost Award in accordance with any wire transfer instructions from Plaintiff's Counsel. The settlement checks mailed to each Covered Employee will be accompanied by a Notice (similar in form and content to the sample form set forth in Exhibit A) explaining the Covered Employee's payment and the deadline to cash his/her settlement check.

38. The Covered Employees shall have 180 calendar days after mailing to cash their settlement checks. If any Covered Employee's check is not cashed within that period, the check will be void and a stop-payment will be issued. In such event, the Covered Employee will be

deemed to have irrevocably waived any right in or claim to his/her share, except that the Covered Employee may seek to claim the funds from the California Department of Industrial Relations ("DIR") Unclaimed Property Fund. The release nevertheless will be binding upon all Covered Employees, including those who do not cash their checks within the 180-day period. If at the conclusion of the 180-day check cashing period, any funds remain from checks that are returned as undeliverable or are not negotiated, subject to the Court's approval, a settlement check shall be paid to the DIR Unclaimed Property Fund in the name of the Covered Employee who did not cash his/her check. The Settlement Administrator, Defendants, Defendants' Counsel, Plaintiff, and Plaintiff's Counsel will not have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks, and will not have any duty to seek any funds from the DIR Unclaimed Property Fund.

39. The Covered Employees' share of the Net Settlement Amount will be treated as payments in settlement of non-wage (civil penalty) claims and, to the extent necessary, will be reported on IRS 1099 forms.

G. Miscellaneous Provisions.

40. **Voiding the Agreement:** If for any reason the Court does not approve this Settlement and Release Agreement, the parties shall have a period of sixty (60) calendar days (the "Grace Period") in which to provide any additional briefing or information requested by the Court, and/or to file a new, supplemental, or renewed request for settlement approval with the Court, and/or, in each Party's sole discretion, to revise this Agreement. If the parties do not file anything with the Court during such a Grace Period, and do not reach an alternate agreement in writing, this Settlement shall be considered void *ab initio* and shall be of no force and effect whatsoever, and shall not be referred to or used for any purpose whatsoever. If the Settlement is approved by Court, and challenges to the Court's approval are not withdrawn on the record at the hearing, the Agreement will remain in effect and binding on the Parties, and the Action and all related actions will remain stayed, pending final resolution of any challenges or appeals.

41. **Tolling of CCP §583.310**: If the Effective Date does not occur, the Parties shall be returned to their respective statuses as of September 4, 2024, and the Parties agree and acknowledge that the five-year deadline set forth in California Code of Civil Procedure §583.310 will be extended for the period of time equating from September 4, 2024 to the date this Agreement becomes void, pursuant to California Code of Civil Procedure §583.330.

42. **Waiver**: The waiver by one Party of any breach of this Settlement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Settlement.

43. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Agreement and to bind the Parties hereto to the terms and conditions hereof.

44. **Mutual Full Cooperation:** The Parties will fully cooperate with each other to accomplish the terms of this Settlement, including but not limited to executing such documents and taking such other action as may reasonably be necessary to implement the terms of this Settlement. The Parties to this Agreement shall use their best efforts, including all efforts

contemplated by this Settlement and any other efforts that may become necessary by order of the Court or otherwise, to effectuate this Settlement and the terms set forth herein.

45. **No Prior Assignments:** The Parties hereto represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber, to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights released and discharged by this Agreement.

46. **Confidentiality:** Plaintiff agrees to maintain the confidentiality of this Settlement, including the Gross Settlement Amount, until such time as Plaintiff's Counsel files with the Court its motion and proposed order requesting the Court to approve this Settlement.

47. **Judgment:** Plaintiff's request to the Court to approve this Settlement will include a proposed order that judgment and dismissal be entered according to the terms of the Agreement.

48. **Binding Settlement:** This Agreement is a settlement document and shall, pursuant to California Evidence Code § 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement and/or interpret or enforce the Agreement.

49. **Enforcement Actions:** Except as otherwise provided in this Settlement and Release Agreement, in the event that a Party to the Agreement institutes any legal action or other proceeding against the other Party to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, the prevailing Party shall be entitled to recover from the other Party its or his reasonable attorneys' reasonable attorneys' fees and costs incurred in connection with any such action or proceeding.

50. **Notices**: Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed:

To Plaintiff:

Carolyn H. Cottrell, and Esther L. Bylsma
Schneider Wallace Cottrell Konecky LLP
2000 Powell Street, Suite 1400
Emeryville, California 94608
Email: ccottrell@schneiderwallace.com
ebylsma@schneiderwallace.com

To Defendants:

Mollie Burks
Amber A. Eklof
Hannah Diamond
Gordon Rees Scully Mansukhani
315 Pacific Avenue

San Francisco, CA 94111
Email: mburks@grsm.com
aeklof@grsm.com
hdiamond@grsm.com

51. **Construction:** The terms and conditions of this Agreement are the result of lengthy, intensive arms-length negotiations between the Parties, and this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or her/its counsel participated in the drafting of this Agreement.

52. **Captions and Interpretations:** Paragraph/section titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision thereof. Each term of this Agreement is contractual and not merely a recital.

53. **Modification:** The Agreement may not be changed, altered, or modified, except in writing signed by the Parties hereto and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto. Notwithstanding the foregoing, administrative changes reasonably necessary to facilitate implementation of the Agreement may be confirmed in a writing approved by counsel for both Parties (including a writing approved through the exchange of email messages) without the signatures of the Parties themselves or the approval of the Court.

54. **Choice of Law and Venue:** This Agreement shall be governed by and construed, enforced, and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules. Any legal action or other proceeding to enforce or interpret the provisions of this Agreement or to declare rights and/or obligations under this Agreement shall be filed in California Superior Court, County of San Bernardino, which shall have the exclusive jurisdiction to hear any such legal action or other proceeding.

55. **Integration Clause:** This Agreement contains the entire agreement between the Parties relating to the settlement and the transactions contemplated herein, and all earlier or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's counsel, are merged herein. No rights hereunder may be waived except in writing.

56. **Binding On Assigns:** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

57. **Counterparts:** The Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Agreement, which shall be binding upon and effective as to all Parties. Signed copies of this Agreement can be delivered manually, through a third-party delivered company, or electronically.

Dated: February 4, 2025 **PLAINTIFF'S COUNSEL (approved as to form):**
SCHNEIDER WALLACE COTTRELL KONECKY LLP

By: ______________________________
CAROLYN H. COTTRELL
ESTHER L. BYLSMA

Dated: 02/04/2025, 2025 **PLAINTIFF (agreed as to form and substance):**

CRYSTAAL WASHINGTON

Dated: Feb. 4, 2025 **DEFENDANTS' COUNSEL (approved as to form):**
GORDON REES SCULLY MASUKHANI

By: ______________________________
MOLLIE BURKS
AMBER A. EKLOF
HANNAH DIAMOND

Dated: 2/4/25, 2025 **DEFENDANT MORLEY COMPANIES, INCORPORATED (agreed as to form and substance)**

By:

Title: General Counsel

Dated: ____________, 2025 **DEFENDANT HYUNDAI MOTOR AMERICA (agreed as to form and substance)**

By: ______________________________

Title: ______________________________

Dated ___________, 2025 **PLAINTIFF'S COUNSEL (approved as to form):**
SCHNEIDER WALLACE COTTRELL KONECKY LLP

By: ________________________________
CAROLYN H. COTTRELL
ESTHER L BYLSMA

Dated: ___________, 2025 **PLAINTIFF (agreed as to form and substance):**

____
CRYSTAAL WASHINGTON

Dated: ___________, 2025 **DEFENDANTS' COUNSEL (approved as to form):**
GORDON REES SCULLY MASUKHANI

By: ________________________________
MOLLIE BURKS
AMBER A. EKLOF
HANNAH DIAMOND

Dated: ___________, 2025 **DEFENDANT MORLEY COMPANIES, INCORPORATED (agreed as to form and substance)**

By: ________________________________

Title: ________________________________

Dated: January 30, 2025 **DEFENDANT HYUNDAI MOTOR AMERICA (agreed as to form and substance)**

By: ________________________________

Title: Senior Counsel

EXHIBIT A

Notice of PAGA Settlement and Release of Claims

***Combs v. Morley Companies, Incorporated, et al.*,**
Superior Court of California, County of Orange, Case No. 30-2022-01240353-CU-OE-CXC

<<RecipientName>>

Dear [NAME]:

I. NOTICE OF PAGA SETTLEMENT

The Orange County Superior Court (the "Court") approved a settlement in the above-captioned action with Plaintiff Crystaal Washington ("Plaintiff") and Defendants Morley Companies, Incorporated ("Morley") and Hyundai Motor America ("Hyundai," and together with Morley, "Defendants").

You have been identified as one of the Covered Employees covered by the above-captioned case. According to Defendants' records, you are a current or former hourly-paid or non-exempt employee who worked for Defendants in California at any time during the time period between January 12, 2021 to May 21, 2021 (the "Covered Period").

Former Plaintiff Scott Combs ("Former Plaintiff") filed the above-captioned lawsuit against Defendants under the Private Attorneys General Act of 2004 ("PAGA," at California Labor Code § 2699), alleging that Defendants failed to pay wages, including overtime wages, failed to provide meal and rest periods, or premiums in lieu thereof, failed to provide business reimbursements, and failed to provide accurate itemized wage statements. Plaintiff sought civil penalties on behalf of the State of California and aggrieved employees. Subsequently, Plaintiff substituted in as the plaintiff, and continued to seek civil penalties on behalf of the State of California and aggrieved employees.

The Court approved the settlement on [INSERT DATE OF SETTLEMENT APPROVAL].

The Court has not made a determination regarding Plaintiff's allegations. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claim. However, the Court has approved the civil penalties settlement amount to be paid by Defendants.

Defendants maintains that they complied with the California Labor Code at all times and enters into this settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

II. CALCULATION OF INDIVIDUAL PAGA PAYMENT

According to Defendants' records, you worked for Defendants during <<**EligiblePayPeriods**>> Eligible Pay Periods during the Covered Period. Your individual PAGA payment is **<<CheckAmount>>**.

You should cash your check by [**180 DAYS AFTER ISSUANCE**], after which the check will be void and you will no longer be able to cash it. Your check is subject to taxation as required by law.

Each individual PAGA payment was calculated on a *pro rata* (*i.e*., proportional) basis based on the number of Eligible Pay Periods[1] in which each Covered Employee worked for Defendants during the Covered Period divided by the total number of Eligible Pay Periods in which all Covered Employees worked for Defendants during the Covered Period.

III. RELEASE

The Court approved the parties' settlement on [INSERT DATE OF SETTLEMENT APPROVAL]. Pursuant to the settlement, in exchange for the individual PAGA payments to Covered Employees and the LWDA Settlement Proceeds Payment to the Labor & Workforce Development Agency ("LWDA"), the State of California and all Covered Employees (including Plaintiff), shall be deemed to have fully and finally released and discharges Defendants and each of their former and present directors, officers, shareholders, owners, attorneys, insurers, reinsurers, predecessors, successors, and assigns, from the "Released Claims."

For purposes of this settlement, the "Released Claims" are defined as: All claims for PAGA penalties that were alleged or reasonably could have been alleged based on the facts alleged in the operative First Amended Complaint, for the entirety of the Covered Period. Such released claims include, but are not limited to claims for PAGA penalties in connection for Defendants' alleged failure to comply with California Labor §§201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1182.12, 1197, 2802, and/or applicable Industrial Welfare Commission Wage Orders. The Released Claims do not include any claims or actions to enforce this Settlement, wage claims, 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 Covered Period.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. You are not a party to this lawsuit, but you and the government are bound by the judgment in this matter as to the civil penalties under PAGA.

IV. SETTLEMENT ADMINISTRATOR

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

You may call the Settlement Administrator, Phoenix Class Action Administrators, toll free at ________ with any questions. You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.

[1] "Eligible Pay Periods" means the total number of pay periods during the Covered Period in which a Covered Employee worked for Defendants in California.

Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, Civil Code §§ 1500 *et seq.*, in the name of the Covered Employee to whom the check was issued. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

You will receive a tax form 1099 for the check. You may also contact the Settlement Administrator at [phone number], [mailing address/PO Box] with questions.

To view the entirety of the Settlement Agreement, including its defined terms, you may visit ______________________, enter the Case No. ______________, and review the entire public docket of this Lawsuit. Note that to view the documents you have to purchase them.