

CLASS AND PAGA ACTION SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class and “PAGA” (Private Attorneys General Act of 2004, California Labor Code section 2698 et seq.) Action Settlement Agreement (“Agreement”) is made by and between Plaintiff Donovan Young (“Plaintiff”) and Defendant Santa Cruz Staffing, LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the class action lawsuit entitled *Donovan Young v. Santa Cruz Staffing, LLC*, filed in the Superior Court of California, County of Santa Cruz, case number 21CV03049.
- 1.2 “Attorneys’ Costs” or “Litigation Costs” means the amount to be reimbursed to Class Counsel for their litigation costs and expenses. Attorneys’ Costs shall not exceed \$20,000.00
- 1.3 “Attorneys’ Fees” means the amount to be awarded to Class Counsel for the work they have performed in furtherance of the Action. Attorneys’ Fees shall not exceed \$133,333.33, which represents one-third of the Gross Settlement Amount
- 1.4 “Class” or “Class Member” means any and all persons who worked for Defendant as non-exempt employees in California during the Class Period.
- 1.5 “Class Counsel” means Moon Law Group, PC.
- 1.6 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.7 “Class Notice” means the notice of Class and PAGA Action Settlement mutually agreed upon by the Parties and approved by the Court to be sent to the Class Members and PAGA Members following preliminary approval, which includes the scope of release language for Released Claims and Released PAGA Claims, notifies Class Members and PAGA Members of the Settlement, explains the Class Members’ options, including how Class Members may opt out or object to the Settlement, and explains the facts and methods based on which the Class Members’ and PAGA Members’ estimated Individual Class Payments and Individual PAGA Payments are calculated, substantially in the form attached hereto as **Exhibit A**.
- 1.8 “Class Period” means the period from December 22, 2017 through October 13, 2023.
- 1.9 “Class Representative” means Donovan Young, the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a class representative.
- 1.10 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action, and for which Plaintiff will provide a general release and waiver of Civil Code section 1542 rights.

Subject to the Court's approval, Plaintiff shall receive up to \$8,000.00 as Class Representative Service Payment.

- 1.11 "Court" means the Superior Court of California, County of Santa Cruz.
- 1.12 "Defense Counsel" means Farbstein & Blackman, A Professional Corporation
- 1.13 "Final Approval" means the Court's final approval of the Settlement.
- 1.14 "Final Approval Order" means the Court's order granting final approval of the Settlement.
- 1.15 "Final Approval Hearing" means the Court's hearing on the motion for final approval of the Settlement.
- 1.16 "Final Judgment" means the judgment entered by the Court upon granting final approval of the Settlement.
- 1.17 "Gross Settlement Amount" means \$400,000.00 which is the maximum total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class, Attorneys' Fees, Attorneys' Costs, Class Representative Service Payment, the Settlement Administration Costs, and PAGA Penalties.
- 1.18 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.19 "Individual PAGA Payment" means the PAGA Member's pro rata share of the 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.20 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the Labor and Workforce Development Agency's ("LWDA") under Labor Code section 2699, subd. (i).
- 1.21 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Class Representative Service Payment, Attorneys' Fees, Attorneys' Costs, the Settlement Administration Costs, and PAGA Penalties (Individual PAGA Payments and LWDA PAGA Payment). The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.22 "PAGA Members" or "Aggrieved Employees" means any and all persons who worked for Defendant as non-exempt employees in California during the PAGA Period.
- 1.23 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 75% to the LWDA and 25% to the PAGA Members for the settlement of PAGA Claims. The PAGA Penalties shall be \$30,000.00.
- 1.24 "PAGA Period" means the period from December 22, 2020 through October 13, 2023.

- 1.25 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the class portion of the Settlement.
- 1.26 “Pay Period” means any pay period in which a PAGA Member performed work for Defendant at least one day during the PAGA Period.
- 1.27 “Preliminary Approval” means the Court’s preliminary approval of the Settlement.
- 1.28 “Preliminary Approval Order” means the Court’s order granting preliminary approval of the Settlement.
- 1.29 “Released Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.30 “Released Parties” means Defendant and all related companies, subsidiaries, owners, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns.
- 1.31 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the class portion of the Settlement signed by the Class Member.
- 1.32 “Response Deadline” means sixty (60) calendar days after the Settlement Administrator mails the Class Notice to Class Members, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her objection to the Settlement. Class Members to whom Class Notice is resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond expiration of the Response Deadline to respond.
- 1.33 “Settlement” means the disposition of the Action effected by this Agreement and the Final Judgment.
- 1.34 “Settlement Administrator” means ILYM Group, Inc., a neutral, third-party administrator mutually chosen by the Parties and approved by the Court.
- 1.35 “Settlement Administration Costs” means means the amount the Settlement Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in administering the Settlement in accordance with this Agreement.
- 1.36 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS

- 2.1 On December 22, 2021, Plaintiff commenced this Action by filing a complaint alleging the following causes of action against Defendant: (1) Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197]; (2) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198]; (3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code § 226.7]; (5) Failure to Indemnify Necessary Business Expenses [Cal. Lab.

Code § 2802]; (6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; and (8) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]. On July 18, 2022, Plaintiff filed a first amended complaint, alleging additional cause of action for Civil Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.]. (The first amended complaint is the operative complaint in the Action [the “Operative Complaint”].)

- 2.2 Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged. This Agreement shall not be construed as an admission of fault or wrongdoing by the Released Parties, or any of them.
- 2.3 Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending a PAGA notice letter on December 19, 2021. Plaintiff’s PAGA case number is LWDA-CM-858297-21.
- 2.4 On October 13, 2023, the Parties participated in all-day mediation presided over by mediator Michael Loeb, Esq., which led to this Agreement to settle the Action. The Parties agree that the terms and conditions of this Agreement are the result of lengthy, intensive arms-length negotiations between the Parties supervised by an experienced employment law mediator. The Parties agree that the Agreement is entered into in good faith as to each Class Member and PAGA Member and that the Settlement is fair, reasonable, and adequate as to each Class Member and PAGA Member.
- 2.5 Prior to mediation, Plaintiff obtained, through formal and informal discovery, an extensive percentage of the time records and payroll records for the Class Members, the number of workweeks during the Class Period as well as the number of Class Members, employment policies and handbook, Plaintiff’s personnel file, and other relevant documents. Plaintiff retained an expert to analyze the records produced by Defendant. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

3. CERTIFICATION AND APPOINTMENT

- 3.1 Class Certification. Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that for this Settlement to occur, the Court must certify the Class as defined in this Agreement.
- 3.2 Conditional Nature of Stipulation for Certification. The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff and Class Members for purposes of this Settlement only. This Stipulation is contingent upon the preliminary and final approval and certification of the Settlement Class only for purposes of settlement. If the Settlement does not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to certification as part of the Settlement shall have no bearing on and shall not be admissible or used in any way in connection with, the

question of whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit. Defendant expressly reserves the right to oppose class certification and/or to proactively move to deny class certification should this Settlement be modified or reversed on appeal or otherwise not become final.

- 3.3 Appointment of Class Representative. Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiff Donovan Young shall be appointed as the representative for the Class.
- 3.4 Appointment of Class Counsel. Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.

4. MONETARY TERMS

- 4.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$400,000.00 and no more as the Gross Settlement Amount. Defendant shall separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 5.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

4.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$8,000.00 (in addition to any Individual Class Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for final approval, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Settlement Administrator will retain the remainder in the Net Settlement Amount. The Settlement Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

4.2.2 To Class Counsel: Attorneys' Fees of not more than 33 1/3%, or \$133,333.33, and Litigation Costs of not more than \$20,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for final approval which will include a request for Class Counsel Attorneys' Fees and Litigation Costs no later than 16 court days prior to the Final Approval Hearing. If the Court approves Attorneys' Fees and/or Litigation Costs less than the amounts requested, the Settlement Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other plaintiff's counsel arising from any claim to any portion any Attorneys' Fees and/or

Attorneys' Costs. The Settlement Administrator will pay the Class Counsel Attorneys' Fees and Attorneys' Costs using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Attorneys' Fees and Attorneys' Costs and holds Released Parties harmless, and indemnifies Released Parties, from any dispute or controversy regarding any division or sharing of any of these Payments.

4.2.3 To the Settlement Administrator: Settlement Administration Costs not to exceed \$16,000.00 except for a showing of good cause and as approved by the Court. To the extent the Settlement Administration Costs are less or the Court approves payment less than \$16,000.00, the Settlement Administrator will retain the remainder in the Net Settlement Amount for distribution to the Participating Class Members.

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

4.2.4.1 Tax Allocation of Individual Class Payments. The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Class Payment. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendant's portion of payroll withholding taxes. The Settlement Administrator will submit Defendant's portion of payroll withholding tax calculation to Defendant for additional funding and forward those amounts along with each person's Individual Class Payment withholdings to the appropriate taxing authorities. 15% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 85% of each Participating Class Member's Individual Class Payment will be allocated to interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. The Parties agree that this allocation between the Wage Portion and Non-Wage Portion is a reasonable division, in light of the allegations made in the Operative Complaint and the facts as they have developed during the course of this matter. Participating Class Members assume full responsibility and liability for any taxes owed on their Individual Class Payment.

4.2.5 To the LWDA and PAGA Members: PAGA Penalties in the amount of \$30,000.00 to be paid from the Gross Settlement Amount, with 75% (\$22,500.00) allocated to the LWDA PAGA Payment and 25% (\$7,500.00) allocated to the Individual PAGA Payments.

4.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the PAGA Members' 25% share of PAGA Penalties (\$7,500.00) by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved

Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. PAGA Members will receive their respective Individual PAGA Payments regardless of whether they opt out of the Settlement with respect to their class claims.

4.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Settlement Administrator will allocate the remainder to the Net Settlement Amount. The Settlement Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

5. SETTLEMENT FUNDING AND PAYMENTS.

- 5.1 Class Workweeks. Based on a review of its records through June 30, 2023, Defendant estimated there were approximately 28,800 Workweeks in the Class Period as of that date.
- 5.2 Class Data. Not later than fourteen (14) calendar days after the Court issues the Preliminary Approval Order, Defendant will deliver the Class Data to the Settlement Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Settlement Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to the Settlement Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Settlement Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 5.3 Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement Amount, in two separate payments, by transmitting the funds to the Settlement Administrator as follows: (a) 50% of the Gross Settlement Amount shall be paid no later than October 13, 2024, provided that Final Approval of the Settlement has been granted, and any appeal from the Final Approval has been finally resolved; (b) the remaining 50% of the Gross Settlement Amount and all employer payroll taxes shall be paid on or before April 13, 2025, or six months after the first installment if the initial payment is delayed past October 13, 2024 by reason of an appeal of the Final Approval.
- 5.4 Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant fully funds the Gross Settlement Amount, the Settlement Administrator will mail checks for all Individual Class Payments, Individual PAGA Payments, Class Counsel Attorneys' Fees, Class Counsel Litigation Costs, the Class Representative Service Payment, and the LWDA PAGA Payment. Disbursement of Class Counsel Attorneys' Fees, Class Counsel Litigation Costs, and the Class Representative Service Payment shall not precede disbursement of Individual Class and PAGA Payments.
 - 5.4.1 The Settlement Administrator will issue checks for the Individual Class and PAGA Payments and send them to Participating Class Members and PAGA Members via

First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Settlement Administrator will cancel all checks not cashed by the void date. The Settlement Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the "National Change of Address Database".

5.4.2 The Settlement Administrator must conduct a Participating Class Member Address Search for all Participating Class Members whose checks are returned undelivered without USPS forwarding address. ("Class Member Address Search" means the Settlement Administrator's investigation and search for Participating Class Members' current mailing addresses using all reasonably available sources, methods and means including, but not limited to, the "National Change of Address Database", skip traces, and direct contact by the Settlement Administrator with Participating Class Members.) Within seven (7) calendar days of receiving a returned check, the Settlement Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Settlement Administrator need not take further steps to deliver checks to Participating Class Members whose re-mailed checks are returned as undelivered. The Settlement Administrator shall promptly send a replacement check to any Participating Class Member whose original check was lost or misplaced, requested by the Participating Class Member prior to the void date.

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

5.4.4 The payment of Individual Class Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Participating Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASES OF CLAIMS.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Participating Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 6.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint or otherwise occurring at any time up to the execution of this Agreement, all of which are released under 6.2 below. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits,

unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

6.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

6.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action, including but not limited to unpaid wages, overtime, missed meal and rest periods, waiting time penalties, wages not timely paid during employment, wage statement violations, and failure to keep requisite payroll records ("Released Claims"). 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.

6.3 Release by PAGA Members: All PAGA Members are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, and as PAGA representatives of the State of California (including the LWDA) the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and/or Plaintiff's PAGA notice to the LWDA ("Released PAGA Claims"). These include claims for PAGA penalties on account of alleged unpaid wages, including overtime premiums, minimum wage violations, missed meal and rest periods, waiting time penalties, wages not timely paid during employment, wage statement violations, and failure to keep requisite payroll records. All PAGA Members shall release all claims arising under PAGA regardless of their decision to participate in the Settlement.

7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

7.1 Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary to obtain preliminary approval of the Settlement and deliver them to Defense Counsel before the motion and supporting papers are filed with the Court. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Settlement Administrator.

- 7.2 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant preliminary approval or conditions a Preliminary Approval Order on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Settlement Administrator. The Parties have jointly selected ILYM Group, Inc. ("ILYM") to serve as the Settlement Administrator and verified that, as a condition of appointment, ILYM agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Settlement Administration Costs. The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 Employer Identification Number. The Settlement Administrator shall have and use its own "Employer Identification Number" for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a qualified settlement fund ("QSF") under US Treasury Regulation section 468B-1.
- 8.4 Notice to Class Members.
- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Settlement Administrator shall notify Class Counsel and Defense Counsel that the list has been received and state the number of Class Members and Workweeks in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Settlement Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as Exhibit "A". The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class and/or PAGA Payment payable to the Class and/or PAGA Member, and the number of Workweeks used to calculate Individual Class Payments and Pay Periods used to calculate Individual PAGA Payments. Before mailing Class Notices, the Settlement Administrator shall update Class Member addresses using the National Change of Address Database.
- 8.4.3 Not later than seven (7) calendar days after the Settlement Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Settlement Administrator shall re-mail the Class Notice using any forwarding address provided by

the USPS. If the USPS does not provide a forwarding address, the Settlement Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Settlement Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

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

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

8.5 Requests for Exclusion (Opt-Outs).

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

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

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the

Participating Class Members' Released Claims under Paragraph 6.2 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the class portion of the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a "Non-Participating Class Member" and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement.

8.6 Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) days after the Settlement Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of class Workweeks allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Settlement Administrator via fax, email or mail. The Settlement Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Settlement Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Settlement Administrator's determination of each Class Member's allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Settlement Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel and the Settlement Administrator's determination of the challenges.

8.7 Objections to Settlement.

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

8.7.2 Participating Class Members may send written objections to the Settlement Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Settlement Administrator must do so not later than sixty (60) days after the Settlement Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

8.8 Settlement Administrator's Duties.

8.8.1 Weekly Reports. The Settlement Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and

checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”).

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

8.8.3 Final Report. Within ten (10) days after the Settlement Administrator disburses all funds in the Gross Settlement Amount, the Settlement Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fourteen (14) days before any deadline set by the Court, the Settlement Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Settlement Administrator's declaration in Court.

9. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE. Based on its records, Defendant estimates that, as of June 30, 2023, there are approximately 28,800 total Workweeks during the Class Period as of that date. If the increase in Workweeks is more than 10% from the original estimate of 28,800, meaning if the number of Workweeks is 31,680 or more, at the time of the Final Approval Order, the gross settlement amount shall be increased by the percentage that that actual number of Workweeks exceeds 31,680.

10. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion exceeds 10% of the total Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Costs incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw within ten (10) days after the Response Deadline; late elections will have no effect.

11. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a proposed Final Approval Order and judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than seven (7) calendar days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court. Plaintiff waives any right to object to the Settlement, and hereby endorses the Settlement as fair, reasonable and adequate and in the best interests of the Settlement Class, including all Class Members and all PAGA Members.
- 11.2 Duty to Cooperate. If the Court does not grant final approval or conditions the Final Approval Order on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain final approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Attorneys' Fees, Class Counsel Litigation Costs and/or Settlement Administration Costs shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Final Judgment, pursuant to Code of Civil Procedure section 664.6, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of and with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of (i) enforcing this Agreement and/or Final Judgment, (ii) addressing Settlement

administration matters, and (iii) addressing such post-Final Judgment matters as are permitted by law.

- 11.4 Waiver of Right to Appeal. Provided the Final Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Attorneys' Fees and Class Counsel Litigation Costs set forth in this Settlement, the Parties, Class Counsel, Defense Counsel, all Participating Class Members, and all PAGA Members waive all rights to appeal from the Final Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Final Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Final Judgment becomes final.
- 11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing court vacates, reverses, or modifies the Final Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain final approval and entry of Final Judgment. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Final Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. ADDITIONAL PROVISIONS.

- 12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant preliminary approval, final approval or enter Final Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 12.2 Publicity. Class Counsel and Plaintiff agree to discuss the terms of this Settlement only in declarations submitted to the Court to establish Class Counsel's adequacy to serve as Class Counsel, in declarations submitted to the Court in support of the Motion for Preliminary Approval, the Motion for Final Approval, for Attorneys' Fees, for Attorney's Costs, and any other pleading filed with the Court in conjunction with the Settlement, and in discussions with Class Members in the context of administering this

Settlement until the Preliminary Approval Order is issued. Class Counsel and Plaintiff agree that they shall not publish any press releases or press statements regarding the Settlement, identify Defendant or Defense Counsel by name in any media including Class Counsel's website, or have any communications with the press or media about the Action or the Settlement. Plaintiff, in response to inquiries, will state that that "the Action was resolved." This provision will not impede Class Counsel's ability to discharge fiduciary duties, including effectuating the terms of this Settlement.

- 12.3 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.
- 12.4 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Final Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.5 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.6 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.7 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of the Action's mediator, Steve Rottman, and/or the Court for resolution.
- 12.8 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,

or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Parties in this Settlement.

- 12.9 No Tax or Legal Advice. The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.10 Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable.
- 12.11 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties, and approved by the Court.
- 12.12 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.13 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.14 Fair, Adequate, and Reasonable Settlement. The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
- 12.15 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.16 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.17 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing

contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Settlement Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Settlement Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 12.18 Headings. The descriptive headings contained in this Agreement are inserted for convenience and reference only and in no way define, limit, extend or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.
- 12.19 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.20 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

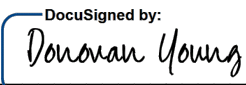
Kane Moon
 Allen Feghali
 Julie Sohyun Oh
MOON LAW GROUP, PC
 1055 W. Seventh St., Suite 1880
 Los Angeles, CA 90017
 Telephone: (213) 232-3128
 Facsimile: (213) 232-3125
 kmoon@moonlawgroup.com
 afeghali@moonlawgroup.com
 joh@moonlawgroup.com

To Defendant:

Michael A. Farbstein
 Ramsey F. Kavar
FARBSTEIN & BLACKMAN
 411 Borel Avenue, Suite 425
 San Mateo, CA 94402-3518
 Telephone: (650) 554-6200
 Facsimile: (650) 554-6240
 maf@farbstein.com
 rfk@farbstein.com

- 12.21 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.22 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement, until Final Approval is granted. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 the date to bring a case to trial under CCP section 583.310 shall be tolled until Final Approval.

Date: 12/14/2023

DocuSigned by:

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Plaintiff Donovan Young

Date: 12/14/2023

MOON LAW GROUP, PC



Kane Moon
Allen Feghali
Julie Sohyun Oh
Attorneys for Plaintiff, the Class, and Aggrieved
Employees

Date:

Defendant Santa Cruz Staffing, LLC

Date:

FARBSTEIN & BLACKMAN



Michael A. Farbstein
Ramsey F. Kavar
Counsel for Defendant Santa Cruz Staffing, LLC

Date:

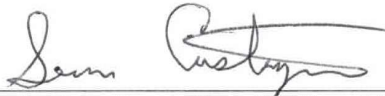
Plaintiff Donovan Young

Date:

MOON LAW GROUP, PC

Kane Moon
Allen Feghali
Julie Sohyun Oh
Attorneys for Plaintiff, the Class, and Aggrieved
Employees

Date:



Defendant Santa Cruz Staffing, LLC

Date:

FARBSTEIN & BLACKMAN

Michael A. Farbstein
Ramsey F. Kavar
Counsel for Defendant Santa Cruz Staffing, LLC

Exhibit A

NOTICE OF CLASS AND PAGA ACTION SETTLEMENT

Donovan Young v. Santa Cruz Staffing, LLC

The Superior Court of California, County of Santa Cruz, Case No. 21CV03049

You may be entitled to receive a payment from a class action settlement if you worked for Santa Cruz Staffing, LLC in California as a non-exempt employee at any time during the period from December 22, 2017 through October 13, 2023.

The Superior Court of California approved this notice. This is not a solicitation from a lawyer. You are not being sued.

PLEASE READ THIS NOTICE.

Your legal rights are affected whether you act or don't act. Your legal rights and options—and the deadlines to use them—are explained in this notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE SETTLEMENT PAYMENT	You are not required to take action to receive a payment. If you do nothing, you will automatically receive a payment from the Settlement if the “Court” (The Superior Court of California, County of Santa Cruz) finally approves the Settlement. In exchange, you will be bound by the Settlement including the release of all claims covered by the Settlement.
REQUEST EXCLUSION	Request to be excluded and receive no benefits from the Settlement. If you submit a “Request for Exclusion” (a Class Member’s submission of a written request to be excluded from the class portion of the Settlement signed by the Class Member), you will not receive a settlement payment. PAGA Members (defined below) cannot opt-out of the PAGA portion of the proposed Settlement and will receive their “Individual PAGA Payments” (The PAGA Members’ pro rata share of the 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period) even if they opt out of the class settlement.
OBJECT	If you wish to object to the Settlement, you may submit a written objection and supporting papers to the “Settlement Administrator” ([REDACTED], a neutral third-party administrator mutually chosen by the Parties and approved by the Court). Any written objections will be provided to the Court. You may also offer your oral comments at the “Final Approval Hearing” (The Court’s hearing on the motion for final approval of the Settlement). In order to object, you must not have excluded yourself from the Settlement.

1. Why should you read this notice?

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Donovan Young v. Santa Cruz Staffing, LLC*, the Superior Court of California, County of Santa Cruz, Case No. 21CV03049 (the

“Action”). Plaintiff Donovan Young (“Plaintiff” or “Class Representative”) has sued Santa Cruz Staffing, LLC (hereinafter referred to as “Santa Cruz Staffing” or “Defendant”), claiming that Santa Cruz Staffing violated California law by purportedly failing to pay minimum wages, failing to pay overtime compensation, failing to provide meal periods, failing to authorize and permit rest breaks, failing to indemnify necessary business expenses, failing to timely pay final wages at termination, failing to provide accurate itemized wage statements, and violating the California Business and Professions Code and the Private Attorneys General Act (“PAGA”).

The Court has granted preliminary approval of a “Settlement Class” defined as follows:

All persons who worked for Defendant as non-exempt, hourly employees in California during the period from December 22, 2017 through October 13, 2023.

The Court has also granted preliminary approval of a “PAGA Group” defined as follows:

All hourly-paid, non-exempt employees of Defendant who worked for Defendant in the State of California from December 22, 2020 through October 13, 2023.

Defendant’s employment records indicate that you meet one or both of these definitions, which makes you a member of the Settlement Class (referred to in this Notice of Class and PAGA Action Settlement [“Notice”] as a “Class Member”) and possibly a member of the PAGA Group (referred to in this Notice as a “PAGA Member”). The Court directed that this Notice be sent to all Class Members and PAGA Members to inform you about the case and your rights and options before the Court decides to approve the Settlement. If the Court approves the Settlement, and after any appeals are resolved, payments will be made to Class Members who have not opted out of the Settlement and to all PAGA Members.

This Notice explains the Action, the Settlement, your legal rights and options, what benefits are available and how to get them.

2. What is this Lawsuit about?

On December 22, 2021, Plaintiff filed a class action complaint against the Defendant alleging several violations of California wage and hour laws. Plaintiff filed his lawsuit on behalf of himself and on behalf of all current and former non-exempt, hourly employees. Plaintiff’s complaint alleges that the Defendant: (1) failed to pay at least the minimum wage for all hours worked; (2) failed to pay overtime wages; (3) failed to provide compliant meal periods or compensation in lieu thereof; (4) failed to provide compliant rest periods or compensation in lieu thereof; (5) failed to reimburse necessary business expenses; (6) failed to timely pay wages at the time of separation; (7) failed to provide accurate wage statements; and (8) violated California’s Unfair Competition Law.

On July 18, 2022, Plaintiff amended his complaint to add a cause of action which alleges that Defendant owes civil penalties under California’s Private Attorneys General Act of 2004, California Labor Code §§ 2699, *et seq.* (“Operative Complaint”).

Defendant vigorously denies all the claims and contentions made in the Action and maintains it has fully complied with the law. However, Defendant has agreed to settle the Action to avoid the expense of litigation.

3. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendant. Instead, both sides agreed to a Settlement. This allows

the “Parties” (Plaintiff and Defendant) to avoid the risk and uncertainty of trial and any subsequent appeal, and all Class Members who have not opted out of the Settlement will receive compensation and all PAGA Members will receive compensation. The Settlement is not an admission of liability by Defendant. The Class Representative and the attorneys believe the Settlement is fair, reasonable and adequate, and in the best interests of all Class Members.

4. What are the terms of the Settlement?

Defendant will pay Four Hundred Thousand Dollars and Zero Cents (\$400,000.00) to settle the Action (the “Gross Settlement Amount”). The Gross Settlement Amount includes: (a) all “Individual Class Payments” (The Participating Class Members’ pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period) to Participating Class Members; (b) “Class Representative Service Payment” (The payment to Plaintiff for initiating the Action and providing services in support of the Action) to Plaintiff; (c) Class Counsel’s attorneys’ fees and costs; (d) a payment to the California Labor and Workforce Development Agency (“LWDA”) for civil penalties brought under PAGA; (e) all Individual PAGA Payments to the PAGA Members; and (f) the reasonable fees and costs of the Settlement Administrator. Defendant will pay its portion of all payroll taxes resulting from the Settlement in addition to the Gross Settlement Amount.

The Court has preliminarily approved the following payments from the Gross Settlement Amount. Class Counsel will request that the Court award Class Counsel one-third (33 1/3%) of the Gross Settlement Amount (currently estimated to be \$133,333.33) in attorneys’ fees and up to Twenty Thousand Dollars and Zero Cents (\$20,000.00) in out-of-pocket litigation costs, up to Dollars (\$) to the third-party Settlement Administrator for “Settlement Administration Costs” (the amount the Settlement Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in administering the Settlement) , and up to Eight Thousand Dollars and Zero Cents (\$8,000.00) to Plaintiff for the Class Representative Service Payment in recognition of his time and service to the Class in pursuing the Action and in fulfilling his obligations as the Class Representative. Additionally, the Settlement provides for a payment of Thirty Thousand Dollars and Zero Cents (\$30,000.00) (the “PAGA Penalties”) to resolve PAGA Members’ claims under PAGA, of which 25% or \$7,500.00 will be distributed to the PAGA Members as Individual PAGA Payments and 75% or \$22,500.00 will be paid to the LWDA. This allocation of the PAGA Penalties is required by California law. The final amounts of these various payments are all subject to Court approval.

After deductions of the preceding Court-approved payments, the remaining amount—the “Net Settlement Amount”—will be distributed to those Class Members who have not opted out of the Settlement (the “Participating Class Members”). No portion of the Gross Settlement Amount will be returned to Defendant.

5. How much can I expect to receive?

Each Participating Class Member will receive a *pro rata* share of the Net Settlement Amount based on the number of Workweeks (defined as any week during which a Class Member worked for Defendant for at least one day during the Class Period) the person worked for Defendant as a non-exempt, hourly-paid employee during the “Class Period”, defined as the period of time from December 22, 2017 through October 13, 2023. Any Workweek in which a Class Member worked at least one day shall be counted as a Workweek.

To calculate a Participating Class Member’s Individual Class Payment, the Net Settlement Amount will be divided by the dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and multiplying the result by each Participating Class Member’s

Workweeks.

Your compensable Workweeks are: <<Workweeks>>

Your Estimated Individual Class Payment is: \$<<Est.ClassPaymentAmt>>

All settlement payments are subject to taxation. Each Individual Class Payment will be allocated as follows: (a) 15% as wages that will be subject to deductions and withholdings for the employee's share of state and federal payroll taxes; and (b) 85% as penalties and interest that will not be subject to deductions and withholdings. Each Participating Class Member will receive an IRS Form W-2 with respect to the portion of the Individual Class Payment allocated to wages and an IRS Form-1099 with respect to the portion of the Individual Class Payment allocated to penalties and interest, unless said payment is less than or equal to \$600.00. Prior to mailing Individual Class Payment checks, the Settlement Administrator will calculate and deduct the employee's required withholdings and payroll taxes from the "wage" portion of the Individual Class Payment. Defendant will separately pay the employer's share of payroll taxes with respect to the "wage" portion of each Individual Class Payment.

Please note that each Participating Class Member will be responsible for his/her share of taxes attributable to the receipt of an Individual Class Payment. The Parties and their attorneys cannot provide and will not provide any advice regarding tax obligations. Participating Class Members should consult with their tax advisors concerning the tax consequences of the Individual Class Payment they receive under the Settlement.

Each PAGA Member will receive a *pro rata* share of the Individual PAGA Payments based on the number of Pay Periods (defined as any bi-weekly pay period in which a PAGA Member performed work for Defendant at least one day during the PAGA Period) the person worked for Defendant as a non-exempt, hourly employee during the "PAGA Period", defined as the period of time from December 22, 2020 through October 13, 2023. Any Pay Period in which a PAGA Member worked at least one day shall be counted as a Pay Period.

To calculate a PAGA Member's Individual PAGA Payment, the Individual PAGA Payment will be divided by the total number of Pay Periods worked by all PAGA Members during the PAGA Period and multiplying the result by each PAGA Member's Pay Periods.

Your compensable Pay Periods are: <<PayPeriods>>

Your estimated Individual PAGA Payment is: \$<<Est.PAGAPaymentAmt>>

All settlement payments are subject to taxation. Each Individual PAGA Payment will be allocated as follows: 100% as penalties that will not be subject to deductions and withholdings. Each PAGA Member will receive an IRS Form-1099 for his or her Individual PAGA Payment, unless said payment is less than or equal to \$600.00.

The Parties and their attorneys cannot provide and will not provide any advice regarding tax obligations. Class Members and PAGA Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

6. What if I disagree with the number of workweeks and/or pay periods credited to me in this Notice?

The information concerning the number of Workweeks and/or Pay Periods you worked as a non-exempt employee

during the Class Period and/or PAGA Period is based on Santa Cruz Staffing's records. To dispute this number of Workweeks and/or Pay Periods credited to you, you must send written notice to the Settlement Administrator. To be valid, your written dispute of weeks worked must: (1) include your full name, address, telephone number, and last four digits of the Social Security number; and (2) be accompanied by satisfactory evidence of the actual weeks worked as an hourly, non-exempt employee for Defendant during the Class Period and/or PAGA Period, including any supporting documentation (e.g., copies of your pay stubs). To be timely, your written dispute of Workweeks and/or Pay Periods worked must be mailed by first-class U.S. Mail, or the equivalent, to the Settlement Administrator at the address provided below, and be postmarked on or before [REDACTED], 2024.

Defendant's records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator will make the final decision as to how many Workweeks and/or Pay Periods should be credited to the Participating Class Member and/or PAGA Member and report the outcome to the Participating Class Member and/or PAGA Member. The Settlement Administrator's decisions will be final and non-appealable. If you opt-out of the Settlement Class, you cannot challenge your Workweek computation.

7. How and when will I get a payment? How do I update my address?

How do I receive money from the Settlement? You do not need to do anything to receive your Individual Class Payment and/or Individual PAGA Payment. Just watch your mail for a check and cash it when you get it.

When will I receive my Settlement payment? Class Members who do not opt out of the Individual Class Payment will receive their payments only after the Court grants final approval to the Settlement and after any appeals are resolved. PAGA Members will receive their payments only after the Court grants final approval to the Settlement and after any appeals are resolved. If there are appeals, resolving them can take time. Please be patient.

Settlement payment checks must be cashed soon after receipt. The Settlement checks will be able to be cashed for 180 days after they are issued. After 180 days, the Settlement checks will no longer be able to be cashed. Any funds represented by Settlement checks remaining uncashed for more than 180 days after issuance shall be transmitted 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.* in the names of those Participating Class Members and/or PAGA Members who did not cash their checks until such time they claim their property.

Change of address. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure that you receive your Settlement payment. If you change your address, or if this notice was not mailed to your correct address, you should immediately provide your current address to the Settlement Administrator. The Settlement Administrator can be reached at (800) ###-####, or at the address provided below.

8. What claims are being released by the Settlement?

If the Settlement is approved by the Court, a judgment will be entered by the Court. Upon the date the judgment becomes final and Defendant's funding of the Gross Settlement Amount, all Participating Class Members shall release the "Released Parties" (Defendant and all related companies, subsidiaries, owners, shareholders, members, agents [including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorney's and any past, present or future officers, directors and employees], predecessors, successors, and assigns) from the Released Claims for the Class Period.

The Released Claims are defined as all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action, including but not limited to unpaid wages, overtime, missed meal and rest periods, waiting time penalties, wages not timely paid during employment, payroll stub violations, failure to keep requisite payroll records (“Released Claims”). 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.

Any Class Member who does not request exclusion by the applicable deadline will be considered to have accepted the release and to have waived any and all of the Released Claims against the Released Parties.

If the Settlement is approved by the Court, a judgment will be entered by the Court. Upon the date the judgment becomes final and Defendant’s funding of the Gross Settlement Amount, all PAGA Members shall release the Released Parties from the Released PAGA Claims for the PAGA Period.

The Released PAGA Claims are defined as all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and Plaintiff’s PAGA Notice (“Released PAGA Claims”). All PAGA Members shall release claims arising under PAGA regardless of their decision to participate in the Settlement.

9. What are my options?

a. **Participate in the Settlement and Receive a Settlement Payment.** If you want to participate in the Settlement, you do not have to do anything. You will receive your Individual Settlement Payment automatically if the Settlement is finally approved by the Court. If applicable, you will receive your Individual PAGA Payment automatically if the Settlement is finally approved by the Court.

b. **Exclude yourself from the Settlement.** If you do not want to be part of the Class Member Settlement, you can request to be excluded from the Class Member Settlement by mailing a written Request for Exclusion to the Settlement Administrator. If you exclude yourself, you will not receive your Individual Class Payment, you will not be subject to the terms of the Settlement, and you will retain whatever rights you may currently have. To be valid, your Request for Exclusion must include: (1) your full name, address, and last four digits of the Social Security number; (2) a clear statement that you wish to opt out of or be excluded from the Settlement in *Donovan Young v. Santa Cruz Staffing, LLC*, Santa Cruz County Superior Court, Case No. 21CV03049; (3) a clear statement that you understand that by opting out, you will not receive any monies from the Class Member Settlement; and (4) your signature. To be timely, a Request for Exclusion must be mailed by first-class U.S. Mail, or the equivalent, to the Settlement Administrator at the address provided below and be postmarked on or before [REDACTED], 2024.

If applicable, you may not exclude yourself from the PAGA Group, will be sent your Individual PAGA Payment, and will be bound by the Released PAGA Claims.

b. **Object to the Settlement.** If you’re a Class Member, you can object to the Class Member Settlement if you don’t like any part of it. You can give reasons why you think the Court should not approve the Class Member Settlement. The Court will consider your views. If the Court rejects your objection and finally approves the Class Member Settlement, you will still be bound by the terms of the Class Member Settlement, but you will also receive a monetary award.

To object, you may submit a written objection stating why you object to the Class Member Settlement, or you

may simply appear at the Final Approval Hearing set for _____, 2024, at _____ a.m./p.m. in the Santa Cruz County Superior Court and discuss your objection with the Court and the Parties at your own expense. Written objections must include: (i) your full name, current address, and last four digits of the Social Security number; (ii) the approximate dates of your employment at Defendant; (iii) the case name and number (e.g., *Donovan Young v. Santa Cruz Staffing, LLC*, Santa Cruz County Superior Court, Case No. 21CV03049); (iv) a written statement of all grounds for the objection accompanied by any legal support for such objection; (v) copies of any papers, briefs, or other documents on which the objection is based, if any; (vi) your signature; and (vii) a statement of whether you intend to appear at the Final Approval Hearing, either in person or by counsel. To be timely, a written objection must be mailed by first-class U.S. Mail to the Settlement Administrator at the address provided below and be postmarked on or before _____, 2024.

Please note that you cannot both exclude yourself and object to the Settlement. In order for you to object to this Settlement, or any term of it, you may not submit a Request for Exclusion.

10. Who are the attorneys representing the Parties?

The Court has appointed the following lawyers as “Class Counsel” to represent all Class Members and PAGA Members:

Class Counsel

Kane Moon, Esq.

Allen Feghali, Esq.

Julie Sohyun Oh, Esq.

MOON LAW GROUP, PC

1055 W. Seenth Street, Suite 1880

Los Angeles, CA 90017

Telephone: (213) 232-3128

Facsimile: (213) 232-3125

kmoon@moonlawgroup.com

afeghali@moonlawgroup.com

joh@moonlawgroup.com

You will not be charged for these lawyers.

11. How will Class Counsel for the Class Members and the PAGA Members be paid?

All payments for Class Counsel’s attorneys’ fees and costs will be made from the Gross Settlement Amount. Class Counsel intends to request an award of attorneys’ fees up to one-third (33 1/3%) of the Gross Settlement Amount (currently estimated to be \$133,333.33), plus reimbursement of reasonable, actual out-of-pocket costs incurred in the litigation, up to Twenty Thousand Dollars and Zero Cents (\$20,000.00). Class Counsel has been prosecuting this Action on behalf of Plaintiff, the Class Members, and the PAGA Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs. The Court will decide the amount of fees and expenses to award at the Final Approval Hearing.

12. When and where will the Court decide to approve the Settlement?

The Court has preliminarily approved the Settlement and will hold a hearing, called a Final Approval Hearing, to decide whether to give final approval to the Settlement. The Court will hold the Final Approval Hearing on _____, 2024, at _____ a.m., in Department 5 of the Santa Cruz County Superior Court located

at 701 Ocean Street, Santa Cruz, CA 95060, before the Honorable Timothy J. Volkmann. At the Final Approval Hearing, the Court will rule on Class Counsel's request for attorneys' fees and litigation costs, the Class Representative Service Payment, and the Settlement Administration Costs.

You are not required to attend the Final Approval Hearing, although any Class Member and/or PAGA Member is welcome to attend the hearing. If you did not submit a Request for Exclusion, you or your attorney may appear at the hearing at your own expense and request to be heard. The Final Approval Hearing may be postponed without further notice.

13. Will I be subject to discipline if I participate in the Settlement?

No. Defendant approves the Settlement and will not retaliate in any way against any Class Member for participating in the Settlement. Your decision to participate, not participate, or object to the Class Member Settlement will not affect your employment with Defendant or Defendant's treatment of you as a former or current employee.

14. What is the Settlement Administrator's address?

Any Request for Exclusion, written objection, address change request, and all other correspondence intended for the Settlement Administrator must be mailed to the Settlement Administrator at the following address:

Donovan Young v. Santa Cruz Staffing, LLC

[Administrator Name]

[Redacted Address]

Telephone:

15. How Can I Get Additional Information?

If you have questions, you can call the Settlement Administrator at [Redacted] and/or Class Counsel.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT