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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF HUMBOLDT**

JAMES VANCLEAVE, an individual, on behalf of himself and others similarly situated,

PLAINTIFF,

v.

HUMBOLDT PETROLEUM, INC.; and DOES 1 thru 50, inclusive,

DEFENDANTS.

CASE NO. CV2200234

[Case Assigned for All Purposes to Hon. Timothy Canning in Dept. 4]

**DECLARATION OF KELSEY M. SZAMET IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT**

*[Filed concurrently with Motion for Preliminary Approval of Settlement and [Proposed] Order Thereon]*

Date: September 18, 2026
Time: 8:30 A.M.
Dept.: 4

Complaint Filed: February 16, 2022
Trial Date: None Set

## DECLARATION OF KELSEY M. SZAMET

I, Kelsey M. Szamet, state and declare as follows:

1. I am an attorney admitted before all courts of the State of California and a partner in the law firm of Kingsley Szamet Employment Lawyers, counsel of record for Plaintiff in this action. I am completely familiar with the present litigation, including the pleadings, discovery, and filings submitted in this matter. I make this Declaration from my own personal knowledge, and, if called upon, I could and would competently testify to the following.

2. I graduated cum laude from the University of California, San Diego in 2004 with a degree in Human Development. I graduated from the University of California, Los Angeles School of Law in 2008. I am admitted to practice before the following Courts: United States Supreme Court; United States District Court, Northern, Eastern, Southern and Central of California; all California State Courts.

3. I make this Declaration in support of Plaintiff's Motion for Preliminary Approval of the Class and Representative Action Settlement in the above-captioned case.

## RELEVANT PROCEDURAL HISTORY

4. Plaintiff Vancleave worked as a non-exempt employee for Defendant as a cashier in the Eureka, California location, earning $28 per hour.

5. Defendant Humboldt Petroleum Inc. was a regional petroleum distribution and convenience store company founded in 1972 and headquartered in Eureka, California, operating a network of Shell, Gas 4 Less, and Valero stations.

6. As I understand it and as my office was informed during the litigation, Defendant no longer does business in California and, upon information and belief, maintains only a few locations in Oregon and Washington.

7. On February 15, 2022, Plaintiff electronically filed a PAGA Claim Notice to the California Labor Workforce Development Agency ("LWDA") and Defendant giving specific notice of his allegations and intent to pursue a representative action on behalf of all aggrieved employees seeking civil penalties under the Private Attorneys General Act of 2004, Labor Code §2699, *et seq.* ("PAGA").

8. On February 16, 2022, Plaintiff filed a Class Action Complaint against Defendant for: (1) Failure to Pay Wages and/or Overtime Under Labor Code §§ 510, 1194, and 1199; (2) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (3) Failure to Reimburse Expenses Pursuant to Labor Code §2802; (4) Violation of Labor Code §226(a); (5) Penalties Pursuant to Labor Code §203; and, (6) Violation of Business & Professions Code § 17200.

9. On May 20, 2022, Plaintiff filed his first amended Complaint adding an additional claim for penalties under PAGA for the causes of action alleged previously.

10. On January 30, 2026, Plaintiff submitted an amended notice letter to the LWDA ("Amended PAGA Letter") and sent to Defendant's Counsel, as proscribed by the Code, adding claims under PAGA for Defendant's alleged failure to pay minimum wages, failure to provide compliant rest periods, failure to pay sick leave, failure to pay vacation wages, failure to pay timely wages, and failure to keep payroll records, in violation of Labor Code §§ 204, 226.7, 227.3, 233, 246, 510, 1174, 1194, and 1197.

11. As part of the Settlement, on June 5, 2026, Plaintiff filed a Second Amended Class and Representative Action Complaint, alleging causes of action against Defendant for (1) Failure to Pay Wages and/or Overtime Under Labor Code §§ 510, 1194, and 1199; (2) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (3) Failure to Provide Rest Breaks Pursuant to Labor Code § 226.7; (4) Failure to Pay Minimum Wages Pursuant to Labor Code §§ 1194 and 1197; (5) Failure to Properly Pay Accrued Sick Days Pursuant to Labor Code §§ 233 and 246; (6) Failure to Properly Pay Unused Vacation Pay Pursuant to Labor Code § 227.3; (7) Failure to Reimburse Expenses Pursuant to Labor Code § 2802; (8) Failure to Timely Pay Wages During Employment Pursuant to Labor Code §204; (9) Violation of Labor Code § 226(a); (10) Penalties Pursuant to Labor Code § 203; (11) Failure to Maintain Required Records; (12) Violation of Business & Professions Code § 17200; and (13) Penalties Pursuant to PAGA. (Hereafter, the "Operative Complaint.")

**THE DISCOVERY PROCESS**

12. The Parties engaged in direct arms-length negotiation efforts for nearly one year, which led to the proposed Settlement, subject to Court approval.

13. Prior to negotiating the Settlement, the Parties engaged in formal discovery.

14. Defendant served its first set of Requests for Production on June 17, 2022. Plaintiff responded to this discovery on July 20, 2022 with accompanying production.

15. Plaintiff served his first set of Requests for Production of Documents and Specially Prepared Interrogatories on June 21, 2022. Defendant served responses on August 15, 2022, and subsequently served amended responses to Plaintiff's Specially Prepared Interrogatories on November 11, 2022.

16. Plaintiff obtained, through formal and informal discovery, as well as the *Belaire-West* Notice process, personnel files, pay and time records, the class list, and information from other Class Member. Careful review and analysis of this confirmatory discovery confirmed that Plaintiff's Counsel believes the proposed Settlement is adequate, fair, and reasonable, and is appropriate for approval by the Court.

17. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes the damages and penalties claimed by Plaintiff, and further contends that, for any purpose other than settlement, Plaintiff's claims are not appropriate for class or representative action treatment. Defendant contends, among other things, that, at all times, it has complied with the California Labor Code, and the Industrial Wage Commission Orders.

18. Based on their own independent investigation and evaluation, Class Counsel is of the opinion that the Agreement with Defendant is fair, reasonable and adequate, and in the best interest of the settlement class in light of all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendant, uncertainties regarding a class and representative action trial on the merits, and numerous potential appellate issues. Although Defendant denies any liability, Defendant is agreeing to this Agreement solely to avoid the cost of litigation. Accordingly, the Parties and their counsel desire to fully, finally, and forever settle, compromise and discharge all disputes and claims arising from or relating to the Action on the terms set forth here.

## CERTIFICATION FOR SETTLEMENT PURPOSES

19. Plaintiff maintains that the proposed Settlement Class Members are ascertainable

for several reasons: Defendant has agreed in the Agreement to provide a class list to the Administrator including the Class Member's and Aggrieved Employee's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods for all putative class members after issuance of the preliminary approval order.

20. The settlement Class consists of Defendant's hourly or non-exempt employees, and Defendant is required to keep records of its hourly or non-exempt employees' names, home addresses, and social security numbers. (*See* Wage Order 7-2001, subsection 7(c).

21. Defendant informally and formally produced pay and time records for Class Members containing class member contact information, which confirms that all Class Member may be readily identified based on Defendant's records.

22. Plaintiff is confident he will be able to establish that the proposed Class is ascertainable and sufficiently numerous.

23. Plaintiff argues that there are questions of law and fact common to the proposed Class that predominate over any questions affecting only individual Class Members.

24. These common questions include:

1) Whether Defendant failed to pay all wages and/or overtime compensation;

2) Whether Defendant failed to provide lawfully required meal periods and/or failed to compensate employees one (1) hour's wages in lieu thereof;

3) Whether Defendant failed to provide lawfully required rest periods and/or failed to compensate employees one (1) hour's wages in lieu thereof;

4) Whether Defendant failed to properly pay accrued sick days;

5) Whether Defendant engaged in unfair competition; and

6) Whether Defendant failed to properly pay unused vacation days;

7) Whether Defendant failed to reimburse business-related expenses;

8) Whether Defendant failed to pay wages during employment;

9) Whether Defendant failed to provide accurate itemized wage statements;

10) Whether Defendant failed to pay compensation due and owning upon termination

of employment;

11) Whether Defendant failed to maintain required records;

12) Whether Defendant engaged in unfair competition; and,

13) Whether Defendant violated § 2699, et seq. of the Labor Code by engaging in the acts previously alleged.

25. Defendant maintained a company handbook containing uniform meal and rest break policies for all hourly employees.

26. Plaintiff maintains that the presence of a company-wide meal and rest policy suggests that Defendant applied the same policies to all employees, which would weigh in favor of class certification.

27. Plaintiff's challenge to Defendant's uniform policies and practices involves common factual and legal issues that are amenable to class treatment.

28. Plaintiff maintains that the proposed Class Members suffered the same injuries, in the same manner: (1) Class Members were not properly paid all wages/overtime; (2) Class Members did not receive their meal and rest periods as required; (3) Class Members were not paid minimum wages; (4) Class Members were not properly paid unused vacation pay; (5) Class Members were not reimbursed for business-related expenses; (6) Class Members did not receive timely wages; (7) Class Members were not provided accurate itemized wage statements; (8) Class Members were not paid all wages upon termination/resignation; and (9) Class Members were denied accurate and complete payroll records.

29. Plaintiff alleges that Class Members worked in the same capacity for the same employer and were subject to the same employment policies and practices, the questions of fact and claims regarding the status of these employees are the same for each member of the Class.

30. For purposes of settlement, the evidence reviewed by Class Counsel demonstrates that common meal and rest policies and wage policies applied to the proposed Settlement Class Members and certification for settlement purposes is appropriate.

31. Plaintiff alleges that he: (1) worked without being paid all wages and/or overtime, including minimum wage (3) worked without being provided meal/rest periods as required by law;

(4) worked without being properly paid accrued sick days; (5) worked without being properly paid for unused vacation pay; (6) worked without being reimbursed for business-related costs; (7) worked without being paid timely wages during employment; (8) worked without being provided accurate itemized wage statements; (9) worked without being paid all wages due upon separation; and (10) worked without being provided accurate and complete payroll records. He also alleges that he experienced derivative claims for unfair business competition (B&P Code §17200) and Labor Code §2699, *et seq*.

32. Plaintiff also contends that his claims are typical of those of the Class.

33. Plaintiff believes that he is capable of fairly representing and adequately protecting the interests of the proposed Class Members.

34. The members of the proposed Class all worked for Defendant during the relevant time period and incurred the same type of alleged damages with regard to Defendant's alleged violations of the law.

35. Plaintiff has agreed to serve as Class Representative and has retained qualified Counsel who is experienced in prosecuting wage and hour class actions.

36. This demonstrates his commitment to bringing about the best possible results for the benefit of the proposed Class.

37. Plaintiff has provided his Counsel with all necessary and pertinent information.

38. He has been a very active participant in the litigation including having frequent contact with Settlement Class Members, responding to formal discovery, and working closely with Class Counsel to develop the theories of liability.

39. Plaintiff has provided his Counsel with all necessary and pertinent information.

40. He was informed of and involved in all of the Settlement negotiations.

41. Plaintiff believes that he has and will continue to adequately represent the proposed Class Members.

42. Plaintiff has provided his Counsel with all necessary and pertinent information.

43. The superiority of class treatment is evident here because individual pursuit of Class Members' claims may not be economically viable.

44. The only alternative to certification would be to force over 779 employees to join this action, file individual, uniform actions, or abandon their legal rights altogether.

45. Plaintiff maintains that this economic reality would result in a windfall for Defendant if this case were not certified.

**THE PROPOSED SETTLEMENT**

46. For purposes of Agreement, the settlement class is defined as: "All persons who were employed or have been employed as an hourly-paid or non-exempt employee by HUMBOLDT PETROLEUM, INC., in the State of California who worked one or more work weeks during the Class Period." ("Class Members" or "Class").

47. The "Class Members" or "Settlement Class Members" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee.

48. A "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

49. The Class Period means the period from February 16, 2018 to August 26, 2025.

50. Based on documents and other information produced by Defendant, there are approximately 779 Class Members.

51. For purposes of the Agreement, the Aggrieved Employees are defined as: "All persons who were employed or have been employed as a non-exempt hourly-paid employee by HUMBOLDT PETROLEUM, INC., in the State of California who worked one or more pay periods during the PAGA Period.

52. The PAGA Period means the period from February 15, 2021 to August 26, 2025.

53. Based on documents and other information produced by Defendant, there are approximately 538 Aggrieved Employees.

54. As detailed fully in the Agreement, the Settlement provides for Defendant to pay a Gross Settlement Amount of $130,000.00, which includes the sum of the Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.

55. The Net Settlement Amount is the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

56. The remainder is to be paid to Participating Class Members as Individual Class Payments.

## ***KULLAR* ANALYSIS**

57. The proposed settlement satisfies each of the *Kullar* factors.

58. Class Counsel conducted extensive informal discovery before entering into meaningful settlement negotiations in this matter. This discovery permitted Class Counsel to fairly evaluate the strength of the case and the risks associated with ongoing litigation.

59. Class Counsel is experienced in handling wage and hour class actions and, after weighing all of the following factors, supports this Agreement.

60. Before the Court even reaches the *Kullar* factors—each of which independently supports approval—one overriding reality framed Plaintiff's entire settlement calculus: the serious risk that there would be nothing to collect.

61. While this action was pending, Defendant shut down its California operations altogether. Every one of its California gas stations closed, leaving only a small handful of locations in the Pacific Northwest.

62. Plaintiff is informed that Defendant's retreat from California was driven by its potential financial insolvency. A judgment against an insolvent defendant is not a recovery—it is a piece of paper.

63. Confronting the real possibility that even total victory at trial would leave the Class with nothing, Plaintiff concluded that a negotiated settlement delivering certain, immediate relief was the only responsible course.

a) The Risks Associated with the Wages/Overtime Claim

64. Plaintiff maintains that Defendant forced Plaintiff and the Class Members to work on a regular and consistent basis without receiving compensation for all hours worked at the proper

rate.

65. Plaintiff must acknowledge that "off the clock" claims present well-recognized obstacles to classwide proof that further counsel in favor of settlement. Plaintiff testified that "just sometimes I would clock out and I would have to – like, if I forget something that I see that's obvious on my way out, you, know, then I would stop and do it. I wasn't, like, required or told to do so; I just would do it because I know that's my fault and it needs to be fixed."

66. Plaintiff thus faced the genuine risk that the off-the-clock claims would never be certified, would be decertified before trial, or would founder on proof at trial even after certification. Measured against those hazards, a settlement that delivers certain and substantial relief to the Class now—rather than the mere possibility of relief years hence—is manifestly reasonable.

b) The Risks Associated with the Minimum Wage Claim

67. Plaintiff maintains that Defendant failed to compensate Plaintiff and the Class Members for all hours worked and compensate them at the appropriate rate overtime pay for all hours worked.

68. Plaintiff contends that Defendant maintained a consistent practice of requiring employees to work "off the clock," failing to pay required premiums, and failing to timely pay earned wages.

69. Because there are no records to substantiate these claims, Plaintiff must acknowledge that Defendant has strong potential defenses to certification and had no choice but to take that risk into account when discounting this claim for settlement purposes.

c) The Risks Associated with the Meal Break Claim

70. Plaintiff contends that Defendant failed to apprise Plaintiff and the Class Members of their rights associated with meal periods and failed to provide compliant meal periods. Plaintiff contends that Defendant failed to apprise Plaintiff and the Class Members of their rights associated with meal periods and failed to provide compliant meal periods.

71. At deposition, Plaintiff testified that he was told to take his lunch before the fifth hour but contended that at times he missed his meal periods due to coworkers being out sick and

having to cover shifts, move to a different location, and/or work longer shifts than normal.

72. He testified he did not think all required premiums were paid when this happened. Id. Plaintiff testified that when he worked graveyard shifts as a cashier, during his lunch he could lock up and go the back of the store or his car or outside to smoke, but he had to be able to see the doors and could not leave the premises.

73. Confronted with time records that would serve as Defendant's own best evidence, Plaintiff reasonably concluded that a certain recovery for the Class now outweighs the substantial risk that the meal period claims would yield little or nothing after years of further litigation.

d) The Risks Associated with the Rest Break Claim

74. Plaintiff alleged that Defendant failed to provide Plaintiff and the Class Members with rest breaks of not less than ten (10) minutes per four (4) hour work period, or major fraction thereof. Defendant failed to provide Plaintiff and the Class Members with compliant rest periods. Plaintiff maintains that Defendant maintained a policy and practice whereby Plaintiff and Class Members were required to work through rest periods or were discouraged from taking them. Further, Plaintiff and the Class Members were not compensated with one (1) hour of wages for each missed rest period as required by Labor Code § 226.7.

75. Plaintiff testified that he generally was able to take a first rest period approximately three hours into his shift.

76. Weighing the certainty of relief now against the prospect of protracted litigation over claims resting largely on testimonial proof, Plaintiff reasonably concluded that settlement serves the best interests of the Class.

e) The Risks Associated with the Sick Time Claim

77. Plaintiff maintains that he and the Class Members worked for Defendant in California for thirty (30) days or more within a year of the commencement of their employment and thus were entitled to paid sick days in accordance with Labor Code sections 233 and 246.

78. Plaintiff contends that Defendant failed to pay Plaintiff and the Class Members the proper rate for their paid sick days, in accordance with Labor Code section 246(l), because Defendant did not include all wages earned, including all non-discretionary pay, by Plaintiff and

members of the Class in their regular rate of pay calculations.

79. Plaintiff's sick leave claim under Labor Code section 233 presents perhaps the most individualized proof problem of any claim in this action.

80. Each class member's claim would therefore turn on individualized testimony about conversations with supervisors, the nature of family illnesses, and the reasons particular absences were treated as they were—an inherently employee-by-employee inquiry that Defendant would press as fatal to certification and unmanageable at trial.

81. A settlement securing certain relief for the Class now is a reasonable and well-considered response to those hazards.

f) The Risks Associated with the Unused Vacation Pay

82. Plaintiff maintains that he and Class Members earned vacation time that had vested but remain unused at the time their employment with Defendant concluded.

83. Plaintiff's claim for unpaid vested vacation wages under Labor Code section 227.3, though grounded in a well-established statutory command, carries its own material risks to classwide recovery.

84. The claim's viability turns heavily on the characterization and mechanics of Defendant's particular policy—questions Defendant would litigate at every stage.

85. California law permits employers to impose caps that pause further accrual, and Defendant would contend its policy operated as a lawful cap rather than an unlawful forfeiture, a distinction that can require policy-version-by-policy-version analysis across the class period, as well as individualized inquiry where written policies were unevenly applied or communicated.

86. Plaintiff anticipated that Defendant would likely further dispute the accuracy of its own accrual records, the treatment of employees subject to different policies (or, for any period, to unlimited or non-accruing arrangements falling outside the statute), and whether any unpaid balances at termination were the product of policy or of individual payroll errors not amenable to classwide proof.

87. And because the principal value of a section 227.3 claim often lies in the derivative waiting time penalties under section 203, Plaintiff would additionally bear the burden of

establishing willfulness—a showing Defendant would resist by asserting a good faith dispute, which, if credited, would eliminate the penalty component entirely. Weighed against the certainty of the relief the Settlement provides, the risk that these disputes would narrow or defeat the vacation claim after years of further litigation renders settlement now a sound exercise of judgment on behalf of the Class.

g) The Risks Associated with the Reimbursement Claim

88. Plaintiff alleges that Defendant required employees to incur business expenditures for which they were never reimbursed.

89. Plaintiff testified that he occasionally had to drive his own vehicle between station locations to cover for other employees.

90. Plaintiff maintains that Defendant has failed to reimburse Plaintiff and the Class Members for the cost of mileage necessary for the performance of Plaintiff and the Class's job duties.

91. Defendant argued that it maintained no records of which employees drove between locations, when, how often, or over what distances, and Plaintiff would bear the burden of reconstructing that information class member by class member, largely through memory-based testimony about events years in the past.

92. Defendant would also press substantial merits defenses: that particular trips were noncompensable commutes to a designated worksite rather than mid-shift travel between locations; that employees who traveled did so voluntarily or by carpool without incurring reimbursable expense; and that it lacked knowledge, actual or constructive, that employees were incurring unreimbursed expenses—a predicate to liability under *Stuart v. RadioShack Corp*.

93. The combination of an inherently individualized damages inquiry, the absence of any documentary record of the driving itself, and contested threshold questions of compensability and employer knowledge created a substantial risk that this claim would not be certified or, if certified, would support only a modest classwide recovery.

94. Settlement providing certain relief now, rather than speculative mileage reimbursements after years of individualized proof, reflects a reasonable assessment of those risks.

h) The Risks Associated with Plaintiff's Section 204 Claim

95. Plaintiff asserts that Defendant's practices are defective in that they fail to timely pay Class Members their wages in accordance with California law.

96. Plaintiff's claim for late payment of wages under Labor Code section 204 faces threshold legal hurdles that place it among the riskiest claims in this action.

97. Defendant would therefore contest the very vehicle by which the claim proceeds, and any recovery would consist of penalties rather than unpaid wages—penalties subject to the court's discretion to reduce PAGA awards that would be unjust, arbitrary and oppressive, or confiscatory under Labor Code section 2699, and vulnerable to Defendant's argument that late payments, if any, were isolated payroll processing errors rather than the product of a uniform practice.

98. Given the contested enforcement mechanism, the discretionary and penalty-only character of the recovery, and the claim's dependence on the fate of the primary wage claims, Plaintiff reasonably assigned this claim modest settlement value and concluded that certain relief now serves the Class better than protracted litigation over a claim that might yield nothing at all.

i) The Risks Associated with the Inaccurate Wage Statement Claim

99. As a result of the allegations above, Plaintiff contends that Defendant has failed to furnish Plaintiff and the Class Members accurate itemized wage statements that show total hours worked by the employee and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, including meal/rest period premiums, pursuant to Labor Code §§ 226(a)(2) and (9).

100. Defendant would invoke *Naranjo* to argue that any inaccuracies flowed from a good faith understanding of its pay practices, not a knowing violation.

101. Layered atop these merits defenses are the one-year limitations period applicable to statutory penalties, which compresses the recoverable class period, and the per-employee penalty caps of section 226(e)(1), which bound the exposure even in a best-case scenario.

102. Because the wage statement claims could be extinguished wholesale by a good faith finding, and in any event depend heavily on the success of the primary wage claims, Plaintiff

reasonably valued them conservatively and concluded that the certain recovery secured by this Settlement outweighs the substantial risk of no penalty recovery at all.

j) The Risks Associated with the Waiting Time Claim

103. The risk analysis for the section 203 claim flows from the risk analysis for the underlying wage claim discussed above.

104. If Defendant could prove, as it contends, that Class Members were paid for all hours worked, there would be no recovery of wages and no waiting time penalties that flow therefrom.

105. Plaintiff also alleged that Defendant owes waiting time penalties by not paying former alleged employees all wages owed and all premium payments for non-compliant meal or rest periods. Labor Code § 226.7. Pursuant to *Murphy v. Kenneth Cole Productions, Inc*. (2002) 40 Cal.4th 1094, 1120, Plaintiff contended that break premium payments constitute "wages" under Labor Code § 203. ("We hold that section 226.7's plain language, the administrative and legislative history, and the compensatory purpose of the remedy compel the conclusion that the 'additional hour of pay' is a premium wage, not a penalty")

106. Plaintiff's claim for waiting time penalties under Labor Code section 203, though potentially the largest single component of exposure given the penalty's thirty-day maximum at each former employee's daily rate, is also among the most vulnerable.

107. Because the wages allegedly unpaid at separation here consist principally of the disputed meal and rest premiums, off-the-clock wages, and vacation balances underlying Plaintiff's primary claims, the section 203 theory is doubly contingent: Plaintiff must first prevail on the underlying claims, and must then separately defeat Defendant's good faith defense—a defense with real force where, as discussed above, the governing standards under *Brinker* and its progeny left room for reasonable disagreement about compliance.

108. The claim is further confined to former employees separated within the three-year limitations period, and Defendant would contest the daily rate calculations and separation dates employee by employee.

109. A penalty claim that presupposes complete victory on the merits, survives only if willfulness is separately established, and can be eliminated in its entirety by a good faith dispute

is precisely the kind of high-variance claim that rational class representatives discount in settlement.

110. Plaintiff did so here, and the certain relief obtained for the Class reflects a sound resolution of that risk.

k) The Risks Associated with the PAGA Claim

111. The derivative PAGA claim, while adding meaningful settlement leverage, carries risks that compound those already described.

112. Even where violations are established, civil penalties are not awarded mechanically—the court retains express discretion to reduce a PAGA award that would be "unjust, arbitrary and oppressive, or confiscatory," and courts have exercised that discretion to slash penalty awards dramatically, particularly where the employer demonstrates good faith or the violations produced modest actual harm.

113. Defendant would also vigorously contest the penalty arithmetic itself, including whether the heightened “subsequent violation” rate applies absent prior notice of noncompliance, whether penalties for derivative violations may be stacked upon penalties for the primary violations arising from the same conduct, and the proper pay-period counts for a workforce with fluctuating rosters.

114. While the Supreme Court in Estrada v. Royalty Carpet Mills, Inc. (2024) 15 Cal.5th 582 held that trial courts lack inherent authority to strike a PAGA claim as unmanageable, it simultaneously confirmed that courts may use their case management tools to limit the scope of evidence and even the claim itself—so a sprawling representative action across Defendant's locations and job classifications would still face significant practical constriction before or at trial.

115. A claim that is wholly derivative, discretionary in amount, contested in its multipliers and stacking, and subject to judicial narrowing at trial warranted a substantial discount—and the Settlement's certain, court-supervised recovery reflects a reasonable resolution of those layered risks.

116. As such, the Agreement’s contemplated PAGA payment of $1,000.00 is appropriate.

117. There is significant expense associated with the class certification process, which the Parties can avoid by entering into the contemplated Agreement now.

118. If the Court did eventually certify a class, trial of a case involving approximately 779 Settlement Class Members would require the retention of expensive expert witnesses, the accrual of extensive litigation costs, and a significant time overlay by the parties.

119. Moreover, given the complexity and unsettled nature of the issues in this case it is likely that any outcome at trial would have resulted in a lengthy and costly appeal. An appeal would result in further delay for the Class Members who are waiting for a resolution in this matter.

120. This case has not been certified to be tried as a class action. While Plaintiff believes there is evidence to support certification of several possible subclasses, certification is always hard fought and subject to judicial discretion. Moreover, in class actions, decertification is always a possibility. In attempting to certify a class, the parties would need to conduct multiple depositions, including of the Class Representative and of several person(s) most knowledgeable regarding Defendant's policies and practices at issue. There is a risk for both sides as to what these depositions will reveal and whether they will support class certification to the extent expected.

121. It was very difficult for the Parties to reach this Settlement of $130,000.00 based on the risks discussed in detail above.

122. This Settlement is the result of adversarial, non-collusive, and arms-length negotiations. The Parties arrived at it after extensive investigation and discovery, careful evaluation of the law, risks, and all information substantiating the amount of penalties reasonably likely to be awarded to the class were the trier of fact to find Defendant liable.

123. Plaintiff retained a damages expert, EconOne, to analyze the sample of time and pay data produced by Defendant and to model the most likely damages outcomes at trial.

124. The analysis focused on the two theories Plaintiff perceived as strongest: (1) split shift premiums, arising when Defendant required employees to work two shifts at different stations on the same day—typically to cover for an absent coworker; and (2) mileage reimbursement under Labor Code section 2802 for the travel between station locations that those same split shifts required.

125. The expert's analysis placed the full value of those claims for the Class at $242,132.83.

126. Based on the risks articulated above coupled with the expert's analysis of the most certifiable claims, the Settlement of $130,000 is fair and reasonable.

## ATTORNEY COMPETENCE

127. Kingsley Szamet Employment Lawyers is very experienced in prosecuting employment litigation, and since the year 2000 we have focused our practice on litigating complex wage, hour, and working condition violations. My firm is extremely well-versed in class and representative action litigation and has diligently pursued this action. Kingsley Szamet Employment Lawyers currently serves as Class Counsel for dozens of pending class action lawsuits in Northern, Central, and Southern California. Below is a very small but representative sampling of wage and hour class cases handled by my firm:

a. *Goodman v. Crystal Ventures, Inc.* (No. BC245561, L.A. Super. Ct.) In January 2002, the Hon. Anthony Mohr granted final approval of settlement in the gross amount of $255,000 and the court approved the attorneys' fee request of 33 1/3%.

*b.* *Daniel v. Network Management Corp.* (No. BC274004, L.A. Super. Ct.) In September 2003, the court granted final approval of Settlement in the gross amount of $475,000 and the court approved the attorneys' fee request of 30%.

c. *Johnston v. The Cheesecake Factory* (No. BC316180, L.A. Super. Ct.) In December 2005, the Hon. Rita Miller granted final approval of Settlement in the gross amount of $4,000,000 and the court granted attorneys' fees request of 30%.

*d.* *Tumino v. HOB Entertainment* (No. BC327962, L.A. Super. Ct.) In May 2006, the Hon. Conrad R. Aragon granted final approval of Settlement in the gross amount of $1,000,000 and the court granted attorneys' fees request of 30%.

e. *Ryan v. Hilton Hotels Corporation,* (No. BC364260, L.A. Super. Ct.) In March 2008, the Hon. Mary Thornton House granted final approval of Settlement in the gross amount of $1,675,000.00 and attorneys' fees request of $558,333.33 (33.33%).

f. *Gerritson v. Styles For Less, Inc.*, (No. BC402921, L.A. Super. Ct.) In September 2010, the Hon. Kenneth R. Freeman granted final approval of Settlement in the gross amount of $2,000,000.00, and attorneys' fees request of $666,666.67 (33.33%).

g. *Lewis v. Collabrus, Inc., et al.*, (No. 109CV-142927, Santa Clara Super. Ct.) In March 2012, the Hon. James P. Kleinberg granted final approval of Settlement in the gross amount of $2,000,000.00, and attorneys' fees request of $666,666.67 (33.33%).

h. *Hirschinger v. Blue Cross of California*, (No. BC402739, L.A. Super. Ct.) In June 2013, the Hon. Lee Smally Edmund granted final approval of Settlement in the gross amount of $4,700,000.00, and the court granted attorneys' fees request of 38%.

i. *Anderson v. Total Renal Care, Inc.*, (No. BC388335, L.A. Super. Ct.) In January 2014, the Hon. William F. Highberger granted final approval of Settlement in the gross amount of $1,500,000.00 and attorneys' fees request of $500,000 (33.33%).

j. *Westbrook v. International Surfacing Systems*, (No. RG10510015, Alameda Super. Ct.) In August 2015, the Hon. Wynne Carvill granted final approval of Settlement in the gross amount of $995,000.00, and the court granted attorney's fees request of 33.33%.

k. *Kane et al.* v. *Valley Slurry Seal*, (No. CV08-2483, Yolo Super. Ct.) In March 2016 after a class trial with a verdict in favor of the class, the Hon. Daniel P. Maguire, awarded Kingsley & Kingsley and co-counsel $996,232.72 in attorney's fees.

l. *Aparacio v. Abercrombie & Fitch Stores, Inc.*, (No. BC499281, L.A. Super. Ct.) In June 2016, the Hon. Kenneth Freeman granted final approval of Settlement in the gross amount of $2,000,000.00, and attorneys' fees request of $666,666.67 (33.33%).

m. *Pineda, et al. v. Grimmway Enterprises, Inc.*, (No. BCV-15-101333, Kern Super. Ct.) In January 2018, the Hon. Stephen D. Schuett granted final approval of

Settlement in the gross amount of $9,000,000 with attorneys' fees request of $3,000,000 (33.33%).

n. *Hernandez v. Broward Builders, Inc*., (No. CV-18-2032, Sacramento Super. Ct.) In October 2020, the Hon. Peter M. Williams granted final approval of the Settlement in the amount of $1,500,000 with attorney's fee request of $500,000 (33.33%).

o. *Amaro et al. v Gerawan Farming, Inc*., (No. 1:14-cv-00147-DAD-SAB (E.D. Cal.).) In October 2020, the Hon. Dale Drodz granted final approval of Settlement in the amount of $5,000,000, and attorneys' fee request of $1,500,000 (30%).

p. *Gettys v. Banc of American Merchant Services, LLC*, (No. 19STCV17233, L.A. Super. Ct.) In March 2021, the Hon. Ann I. Jones granted final approval of the Settlement in the amount of $1,900,000, and attorneys' fee request of $633,333.33 (33.33%).

q. *Griffin, et al. v. Cavco Industries; Fleetwood Homes* (No. CIVDS1927889, San Bernardino Super. Ct.) In November 2021, the Hon. David Cohn granted final approval of the Settlement in the amount of $2,250,000, and attorneys' fee request of $750,000 (33.33%).

r. *Autozone Suitable Seating Cases included actions Meda v. Autozone, Inc. et al, (No. BC683600, and Gonzalez v. Autozoners, Inc.* (No. 23CV411824). In July 2025, Judge Laura A. Seigle granted approval of a PAGA Settlement in the amount of $5,932,350, and attorneys' fees of $1,976,964.26 (33.33%).

s. *Espinoza, et al. v. Warehouse Demo Services, Inc; Club Demonstration Services, Inc.* (No. 17CV310844, Santa Clara Superior Ct). In January 2026, the Hon. Thedore Zayner granted final approval of the Settlement in the amount of $10,200,000, and an attorneys' fees request of $3,400,000 (33.33%).

128. Kingsley Szamet Employment Lawyers filed its first motion for class certification in the year 2000 and since that time has been appointed Class Counsel on dozens of wage and hour

class actions that have been approved for class certification. Since 2011, Kingsley Szamet Employment Lawyers has moved for class certification in 16 matters and has successfully obtained class certification in all 15 of those cases. A brief sampling of which includes:

a. *Lewis v. Collabrus, Inc., Santa Clara County Superior Court (109CV-142927), approved for Class Certification in 2011.*

b. *Melendrez v. JK Communications, No. BC497692, (L.A. Super. Ct., filed December 19, 2012) (court granted contested class certification and appointed Kingsley & Kingsley as class counsel).*

c. *Amaro, et al v. Gerawan Farming, Inc., No. 1:14-cv-00147-DAD-SAB (E.D. Cal., filed February 3, 2014) (court granted contested class certification and appointed Kingsley & Kingsley as class counsel).*

d. *Suarez v. Mazatlan, Inc., No. 37-2015-00002978-CU-OE-CTL (S.D. Super. Ct., filed January 27, 2015) (court granted contested class certification and appointed Kingsley & Kingsley as class counsel).*

e. *Ruiz v. Daniel C. Salas Harvesting, Inc., Kings County Superior Court (16 C 0214). contested class certification granted in June 2020.*

f. *Weldon v. Geo Corrections & Detentions, LLC, Kern County Superior Court (BCV-16-102833), contested class certification granted in 2018.*

g. *Patton v. Skyler Electric, Nevada County Superior Court, (CU17-082544), contested class certification granted in June 2020.*

h. *Hameister v. Jaco Oil Company, Kern County Superior Court (BCV-17-102876), contested class certification granted in August 2020.*

129. Class Counsel is experienced in the handling of wage and hour class actions and supports this Settlement. Based on its analysis, Class Counsel believes that this settlement is fair and reasonable and in the best interest of the Class.

130. After factoring in the risks explained above, Class Counsel believes that the proposed settlement is fair and reasonable.

131. This allocation distributes Settlement Agreement funds proportionally to each

Class Member's potential damages and should therefore be approved as fair, adequate, and reasonable.

**SERVICE AWARD TO THE NAMED PLAINTIFF**

132. The Class Representative is entitled to an enhancement for his valiant effort and time expended in this matter. The time spent by Plaintiff is significant and includes researching and retaining competent counsel; providing information to Class Counsel regarding the nature of the work at Defendant; compiling relevant documents; working closely with Class Counsel to develop the theories of liability and martial relevant evidence; regularly discussing the status of the case with Class Counsel; discussing the case via telephone with many Class Members; providing formal discovery responses; attending a full-day of mediation; and responding promptly to Class Counsel's communications regarding settlement.

133. As set forth in the Settlement Agreement, Plaintiff will also be entering into a general release of liability pursuant to Civil Code Section 1542.

134. Class Counsel considers this to be a fair and reasonable enhancement. The enhancement takes into consideration the time, effort, and expense incurred by Plaintiff in coming forward to litigate this matter on behalf of all Class Members. Plaintiff will provide a detailed declaration with the Final Approval Motion detailing his participation and further justification for the enhancement.

**SUBMISSION TO THE LABOR WORKFORCE DEVELOPMENT AGENCY**

135. Proof of submission of Plaintiff's Motion, all related documents, and copy of the email from the LWDA confirming receipt is attached to the Declaration of Kelsey M. Szamet as Exhibit "2."

**EXHIBITS**

136. Attached hereto as Exhibit "1" is a true and correct copy of the fully-executed Class Action and PAGA Settlement Agreement ("Settlement" or "Agreement").

137. Attached hereto as Exhibit "2" is a true and correct copy of the proof of submission of Plaintiff's Motion, all related documents, and copy of the email from the LWDA confirming receipt.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

This Declaration was executed this 14th day of August, 2026, in Pasadena, California.

______________________________
Kelsey M. Szamet

EXHIBIT "1"

# CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiff JAMES VANCLEAVE ("Plaintiff") and defendant HUMBOLDT PETROLEUM, INC. ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

## 1. DEFINITIONS.

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendant captioned *JAMES VANCLEAVE, an individual, on behalf of himself and others similarly situated, PLAINTIFF, v. HUMBOLDT PETROLEUM, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS*, initiated on February 16, 2022 and pending in Superior Court of the State of California, County of Humboldt, Case Number CV200234.

1.2. "Administrator" means Apex Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement and approved by the Court. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. "Aggrieved Employee" means: All persons who were employed or have been employed as anon-exempt hourly-paid employee by HUMBOLDT PETROLEUM, INC., in the State of California who worked one or more pay periods during the PAGA Period.

1.5. "Class Member(s)" or "Class" means: All persons who were employed or have been employed as an hourly-paid or non-exempt employee by HUMBOLDT PETROLEUM, INC., in the State of California who worked one or more work weeks during the Class Period.

1.6. "Class Counsel" means Kingsley Szamet Employment Lawyers, who will seek to be appointed counsel for the Class.

1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.8. "Class Data" means Class Member and Aggrieved Employee identifying information in Defendant's possession including the Class Member's and Aggrieved Employee's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9.

Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

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

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

1.12. "Class Period" means the period from February 16, 2018 to August 26, 2025.

1.13. "Class Representative" means the named Plaintiff James Vancleave in the Action seeking Court approval to serve as a Class Representative.

1.14. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. "Court" means the Superior Court of California, County of Humboldt.

1.16. "Defendant" means named Defendant Humboldt Petroleum, Inc.

1.17. "Defense Counsel" means Paetkau Law Group.

1.18. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. "Final Approval" means the Court's order granting final approval of the Settlement.

1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22. "Gross Settlement Amount" means the amount of One Hundred and Thirty Thousand Dollars ($130,000.00) which is the 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 Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.

1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount, after reduction for the employee's share of taxes and withholdings, calculated according to the number of Workweeks worked during the Class Period.

1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

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

1.29. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.31. "PAGA Period" means the period from February 15, 2021 to August 26, 2025.

1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.33. "PAGA Notice" means Plaintiff's February 15, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a) and January 30, 2026 amended letter to Defendant and the LWDA.

1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount ($1,000), allocated 25% to the Aggrieved Employees ($250) and the 75% to LWDA ($750) in settlement of PAGA claims.

1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.36. "Plaintiff" means JAMES VANCLEAVE, the named plaintiff in the Action.

1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.39. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.

1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 6.2 below.

1.41. "Released Parties" means: Defendant Humboldt Petroleum and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43. "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.45. "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 February 16, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for: (1) Failure to Pay Wages and/or Overtime Under Labor Code §§ 510, 1194, and 1199; (2) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (3) Failure to Reimburse Expenses Pursuant to Labor Code § 2802; (4) Violation of Labor Code § 226(a); (5) Penalties Pursuant to Labor Code § 203; and (6) Violation of Business & Professions Code § 17200. On May 20, 2022, Plaintiff filed a First Amended Complaint, alleging causes of action against Defendant for (1) Failure to Pay Wages and/or Overtime Under Labor Code §§ 510, 1194, and 1199; (2) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (3) Failure to Reimburse Expenses Pursuant to Labor Code § 2802; (4) Violation of Labor Code § 226(a); (5) Penalties Pursuant to Labor Code § 203; (6) Violation of Business & Professions Code § 17200; and (7) Penalties Pursuant to Labor Code §2699, et seq. Plaintiff filed a Second Amended Complaint, alleging causes of action against Defendant for (1) Failure to Pay Wages and/or Overtime Under Labor Code §§ 510, 1194, and 1199; (2) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (3) Failure to Provide Rest Breaks Pursuant to Labor Code § 226.7; (4) Failure to Pay Minimum Wages Pursuant to Labor Code §§ 1194 and 1197; (5) Failure to Properly Pay Accrued Sick Days Pursuant to Labor Code §§ 233 and 246; (6) Failure to Properly Pay Unused Vacation Pay Pursuant to Labor Code § 227.3; (7) Failure to Reimburse Expenses Pursuant to Labor Code § 2802; (8) Failure to Timely Pay Wages During Employment Pursuant to Labor Code §204; (9) Violation of Labor Code § 226(a); (10) Penalties Pursuant to Labor Code § 203; (11) Failure to Maintain Required Records; (12) Violation of Business & Professions Code § 17200; and (13) Penalties Pursuant to Labor Code §2699, et seq. The Second Amended Complaint is the operative complaint in the Action (the "Operative Complaint."). Defendant denies all material allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. The Parties engaged in direct arms-length negotiation efforts for nearly one year, which led to this Agreement to settle the Action.

2.4. Prior to negotiating the Settlement, Plaintiff obtained, through formal and informal discovery, as well as the *Belaire-West* Notice process, personnel files, pay and time records, the class list, and information from other proposed class members. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

2.6. The Parties express acknowledge that this Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing in this Agreement is an admission of liability of wrongdoing by Defendant. If for any reason this Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

## 3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay $130,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than $3,000.00 (in addition to any Individual Class Payment any Individual PAGA 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 Class Counsel Fees Payment and Class Litigation Expenses Payment, 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 Administrator will retain the remainder in the Net Settlement Amount. The 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.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 28%, which is currently estimated to be $36,400.00 and a Class Counsel Litigation Expenses Payment of not more than $35,000.00. 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 Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed $10,990.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $10,990.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. 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.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for 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. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $1,000.00 to be paid from the Gross Settlement Amount, with 75% ($750) allocated to the LWDA PAGA Payment and 25% ($250) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($250) by the total number of PAGA Period 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.

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

## 4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 779 Class Members who collectively worked a total of 49,765 Workweeks, and 538 of Aggrieved Employees who worked a total 26,817 of PAGA Pay Periods.

4.2. Class Data. Within thirty (30) calendar days of the Court granting Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. 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 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.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

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

Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

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

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

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

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

5. **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, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 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: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and 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.

5.1.1 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.

5.2 Release by Participating Class Members Who Are Not Aggrieved Employees: 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 (i) 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, e.g., Failure to Pay Wages and/or Overtime Under Labor Code §§ 510, 1194, and 1199; Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; Failure to Provide Rest Breaks Pursuant to Labor Code § 226.7; Failure to Pay Minimum Wages Pursuant to Labor Code §§ 1194 and 1197; Failure to Properly Pay Accrued Sick Days Pursuant to Labor Code §§ 233 and 246; Failure to Properly Pay Unused Vacation Pay Pursuant to Labor Code § 227.3; Failure to Reimburse Expenses Pursuant to Labor Code § 2802; Failure to Timely Pay Wages During Employment Pursuant to Labor Code §204; Violation of Labor Code § 226(a), Penalties Pursuant to Labor Code § 203, Failure to Maintain Required Records, Violation of Business & Professions Code § 17200, and Penalties Pursuant to Labor Code §2699, et seq. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, 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 the PAGA Notice and ascertained in the course of the Action including, e.g., ., Failure to Pay Wages and/or Overtime Under Labor Code §§ 510, 1194, and 1199; Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; Failure to Provide Rest Breaks Pursuant to Labor Code § 226.7; Failure to Pay Minimum Wages Pursuant to Labor Code §§ 1194 and 1197; Failure to Properly Pay Accrued Sick Days Pursuant to Labor Code §§ 233 and 246; Failure to Properly Pay Unused Vacation Pay Pursuant to Labor Code § 227.3; Failure to Reimburse Expenses Pursuant to Labor Code § 2802; Failure to Timely Pay Wages During Employment Pursuant to Labor Code §204; Violation of Labor Code § 226(a), Penalties Pursuant to Labor Code § 203, Failure to Maintain Required Records, Violation of Business & Professions Code § 17200, and Penalties Pursuant to Labor Code §2699, et seq.

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator ; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (notices of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 45 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

## 7. SETTLEMENT ADMINISTRATION.

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

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

7.3 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.

7.4 Notice to Class Members.

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

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice 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 Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

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

7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the 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 Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 <u>Requests for Exclusion (Opt-Outs).</u>

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.4 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

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

Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

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

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

Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

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

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

7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

**8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE** Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 779 Class Members and 49,765 Total Workweeks during the Class period and (2) there were 538 Aggrieved Employees who worked 26,817 Pay Periods during the PAGA Period.

8.1 Increase in Compensable Work Weeks. Upon receipt of the Class Member Data, in the event that the number of Compensable work weeks exceed this estimate by more than 5%, the Administrator shall notify the Parties of the number of work weeks. To the extent the number of Compensable work weeks in the Settlement Period increases by more than 5%, Defendant shall have the option to increase the Gross Settlement Amount by a proportionate amount. For example, if the number of work weeks increase by 6%, Defendant shall have the option to increase the Gross Settlement Amount by 1%. If Defendant elects not to increase the Gross Settlement Amount proportionately, Defendant shall notify Class Counsel of its decision in writing within ten (10) days of receiving the number of work weeks from the Administrator. Within ten (10) days of receipt of such written notice from Defendant, Plaintiff shall have the option to terminate this Settlement Agreement via written notice to Defense Counsel and the Parties will be restored to their positions prior to the Settlement and the Settlement shall be null and void.

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all 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 Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than [seven] days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **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 request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 <u>Response to Objections</u>. 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 that five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 <u>Duty to Cooperate</u>. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

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

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

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

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

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

12.4 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.

12.5 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.

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.8 No Tax Advice. 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.

12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

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

12.13 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.

12.14 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 Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

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

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

To Plaintiff:

KINGSLEY SZAMET
EMPLOYMENT LAWYERS
Eric B. Kingsley
eric@kingsleylawyers.com
16133 Ventura Blvd., Suite 1200
Encino, CA 91436

To Defendant:

PAETKAU LAW GROUP, APC
Tyler Paetkau
Tyler @paetkaulg.com
Kathy Huynh
kathy@paetkaulg.com
2995 Woodside Road
Suite 400-467
Woodside, CA 94062

12.18 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.

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The

Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

DATED: 04/24/2026

By: Jone VAV
PLAINTIFF JAMES VANCLEAVE

DATED: 5/19/2026

By: DocuSigned by: M.J. CASTELO 74D182667F8C4B2...
DEFENDANT HUMBOLDT PETROLEUM, INC.

**KINGSLEY SZAMET EMPLOYMENT LAWYERS**

DATED: 04/24/2026

By: ______________________
Eric B. Kingsley
Counsel for PLAINTIFF JAMES VANCLEAVE

PAETKAU LAW GROUP, APC

DATED: 5/18/2026

By: ______________________
Tyler Paetkau
Kathy Huynh
Counsel for DEFENDANT HUMBOLDT PETROLEUM, INC.

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

*JAMES VANCLEAVE, an individual, on behalf of himself and others similarly situated, PLAINTIFF, v. HUMBOLDT PETROLEUM, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS*, Case No. CV2200234

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

**You may be eligible to receive money** from an employee class action lawsuit ("Action") against HUMBOLDT PETROLEUM, INC. (abbreviate name; "Defendant" is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a former Defendant employee James Vancleave ("Plaintiff") and seeks payment for Defendant's (1) Failure to Pay Wages and/or Overtime Under Labor Code §§ 510, 1194, and 1199; (2) Failure to Provide Meal Breaks Pursuant to Labor Code §§ 226.7 and 512; (3) Failure to Provide Rest Breaks Pursuant to Labor Code § 226.7; (4) Failure to Pay Minimum Wages Pursuant to Labor Code §§ 1197 and 1197; (5) Failure to Properly Pay Accrued Sick Days Pursuant to Labor Code §§ 233 and 246; (6) Failure to Properly Pay Unused Vacation Pay Pursuant to Labor Code § 227.3; (7) Failure to Reimburse Expenses Pursuant to Labor Code § 2802; (8) Failure to Timely Pay Wages During Employment Pursuant to Labor Code §204; (9) Violation of Labor Code § 226(a); (10) Penalties Pursuant to Labor Code § 203; (11) Failure to Maintain Required Records; (12) Violation of Business & Professions Code § 17200; and (13) Penalties Pursuant to Labor Code §2699, et seq for a class of hourly employees ("Class Members") who worked for Defendant during the Class Period ([February 16, 2018] to [August 26, 2025]); and (2) penalties under the California Private Attorney General Act ("PAGA") for all [e.g., hourly] employees who worked for Defendant during the PAGA Period [February 15, 2021 to August 26, 2025 ("Aggrieved Employees").

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

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

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

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

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

(1) **Do Nothing**. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.

(2) **Opt-Out of the Class Settlement**. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

## SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

| | |
|---|---|
| **You Don't Have to Do Anything to Participate in the Settlement** | If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims). |
| **You Can Opt-out of the Class Settlement but not the PAGA Settlement**<br><br>**The Opt-out Deadline is [date]** | If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section **6** of this Notice.<br><br>You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below). |

| | |
|---|---|
| **Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement**<br><br>**Written Objections Must be Submitted by [date]** | All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section **7** of this Notice. |
| **You Can Participate in the [date] Final Approval Hearing** | The Court's Final Approval Hearing is scheduled to take place on [date]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section **8** of this Notice. |
| **You Can Challenge the Calculation of Your Workweeks/Pay Periods**<br><br>**Written Challenges Must be Submitted by [date]** | The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [date]. See Section **4** of this Notice. |

## 1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay overtime wages minimum wages, , sick and vacation days, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks, timely payment of wages, and accurate itemized wage statements, and failing to maintain required records. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Eric B. Kingsley of Kingsley Szamet Employment Lawyers ("Class Counsel.")

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant engaged in settlement negotiations in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

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

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

1. Defendant Will Pay $130,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

   A. Up to $36,400.00 (28% of the Gross Settlement to Class Counsel for attorneys' fees and up to $35,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

   B. Up to $3,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.

   C. Up to $10,000.00 to the Administrator for services administering the Settlement.

D. Up to $1,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to non-wage penalties, interest, etc. ("Non-Wage Portion.). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

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

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, [name] (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

> All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) 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, e.g., Failure to Pay Wages and/or Overtime, Failure to Provide Meal Breaks, Failure to Provide Rest Breaks, Failure to Pay Minimum Wages, Failure to Properly Pay Accrued Sick Days, Failure to Properly Pay Unused Vacation Pay, Failure to Reimburse Expenses, Failure to Timely Pay Wages During Employment, Violation of Labor Code § 226(a), Penalties Pursuant to Labor Code § 203, Failure to Maintain Required Records, Violation of Business & Professions Code § 17200, and Penalties Pursuant to Labor Code §2699, et seq. This release will be for the Class Period. Except as set forth in Section 5.2 of the Settlement Agreement, 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.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

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

    > All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, 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 the PAGA Notice and ascertained in the course of the Action including, Failure to Pay Wages and/or Overtime, Failure to Provide Meal Breaks, Failure to Provide Rest Breaks, Failure to Pay Minimum Wages, Failure to Properly Pay Accrued Sick Days, Failure to Properly Pay Unused Vacation Pay, Failure to Reimburse Expenses, Failure to Timely Pay Wages During Employment, Violation of Labor Code § 226(a), Penalties Pursuant to Labor Code § 203, Failure to Maintain Required Records, Violation of Business & Professions Code § 17200, and Penalties Pursuant to Labor Code §2699, et seq.

## 4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

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

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $[amount] by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the

Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

## 5. HOW WILL I GET PAID?

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

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as [caption of Action], and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [date], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

## 7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least [insert] days before the [date] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website **[need details]** or the Court's website [**need details].**

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [date]**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *JAMES VANCLEAVE, an individual, on behalf of himself and others similarly situated, PLAINTIFF, v. HUMBOLDT PETROLEUM, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS*,, and include your name, current address, telephone number, and approximate dates of employment for [Defendant] and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

## 8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department [XX] of the Humboldt County Superior Court, located at 825 5th St, Eureka, CA 95501. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [www.etc.] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

## 9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to [**specify whose**] website at [URL of website]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (https://www.humboldt.courts.ca.gov/online-services) **[confirm]** and entering the Case Number for the Action, Case No. CV2200234. You can also make an appointment to personally review court documents in the Clerk's Office at the Humboldt County Courthouse by calling (707) 445-7256.

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

Class Counsel:

KINGSLEY SZAMET
EMPLOYMENT LAWYERS
Eric B. Kingsley
eric@kingsleylawyers.com
16133 Ventura Blvd., Suite 1200
Encino, CA 91436

Settlement Administrator:
[Name of Company]
[Email Address]
[Mailing Address]
[Telephone]
[Fax Number]

## 10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund [website] for instructions on how to retrieve the funds.

## 11. WHAT IF I CHANGE MY ADDRESS?

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

(Proof of Submission to the LWDA)

# EXHIBIT "2"

**(PROOF OF SERVICE)**
**[CCP 1013(a)(3)]**

**STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 16133 Ventura Boulevard, Suite 1200, Encino, California 91436.

On August 14, 2026, I served all interested parties in this action the following documents described as: **DECLARATION OF KELSEY M. SZAMET IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT** by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

| | |
|---|---|
| **PAETKAU LAW GROUP, APC**<br>Tyler M. Paetkau<br>tyler@paetkaulg.com<br>Kathy Huynh<br>kathy@paetkaulg.com<br>2995 Woodside Road<br>Suite 400-467<br>Woodside, CA 94062<br>*Attorneys for Defendant* | **ABRAMSON LABOR GROUP**<br>William Zev Abramson<br>wza@abramsonlabor.com<br>1700 W Burbank Blvd<br>Burbank, CA 91506<br>*Attorneys for Plaintiff* |

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**[XX]** **(BY ELECTRONIC SERVICE)** I caused a true and correct copy thereof to be electronically filed using the Labor and Workforce Development Agency Electronic Filing ("EF") System (https://dir.govfa.net/432) and service was completed by electronic means by transmittal of the documents referenced herein on the EF System (es).

**[XX]** **(BY ELECTRONIC MAIL TRANSMISSION)** I caused the document to be send to the persons at the e-mail address(es) listed on the attached service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful. A pdf copy of which was sent via email to the below email address(es).

**[XX]** **(STATE)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on August 14, 2026, at Chino, California.

Leslie Sanchez