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17 SUPERIOR COURT OF THE STATE OF CALIFORNIA
18 FOR THE COUNTY OF SAN JOAQUIN

19 PAUL BLEVINS, individually, and on behalf
20 of aggrieved employees pursuant to the Private
21 Attorneys General Act ("PAGA");

22 Plaintiff,

23 v.

24 MARKSTEIN BEVERAGE CO. OF
25 SACRAMENTO, a California Corporation;
26 and DOES 1 through 100, inclusive;

27 Defendants.

Case No.: STK-CV-UOE-2022-0011667

Assigned For All Purposes to:
Honorable Robert T. Waters
Department 11B

JOINT STIPULATION AND
[PROPOSED] APPROVAL
ORDER GRANTING PRIVATE
ATTORNEYS GENERAL ACT
(LABOR CODE § 2698, ET SEQ.)
SETTLEMENT AND RELEASE
AGREEMENT

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

MAR 01 2023

JOINT STIPULATION AND [PROPOSED] APPROVAL ORDER GRANTING PRIVATE
ATTORNEYS GENERAL ACT SETTLEMENT AND RELEASE AGREEMENT

1 Plaintiff Paul Blevins ("Plaintiff"), on behalf of himself and other current and former
2 aggrieved employees, and Defendant Markstein Beverage Co. of Sacramento ("Defendant"),
3 by and through their respective counsel of record, hereby stipulate as follows for purposes of
4 settling this action:

5 1. Pursuant to Labor Code section 2698, *et seq.* (Private Attorneys General Act
6 of 2004 ("PAGA")), on March 25, 2022, Plaintiff provided written notice to the California
7 Labor and Workforce Development Agency ("LWDA") and Defendant of the specific
8 provisions of the Labor Code he contends were violated and theories supporting his
9 contentions.

10 2. On December 1, 2022, Plaintiff submitted an amended written notice to the
11 LWDA and Defendant adding additional theories of liability.

12 3. On December 16, 2022, Plaintiff filed a representative PAGA action against
13 Defendant in the Superior Court of California, County of San Joaquin (Case No. STK-CV-
14 UOE-2022-0011667), alleging a group of aggrieved employees consisting of current or
15 former employees (whether hired directly or through staffing agencies) of Defendant who
16 worked for Defendant at any time during the relevant time period had suffered Labor Code
17 violations during their employment.

18 4. Plaintiff and Defendant (collectively, the "Parties") have engaged in informal
19 discovery and exchange of information, investigations, and negotiations, resulting in
20 Defendant producing several relevant documents, including, but not limited to, personnel
21 records, policy documents, time and payroll records, and arbitration agreements.

22 5. After engaging in discovery, investigations, and negotiations, the Parties
23 reached an agreement on the settlement of the claims, the terms of which were memorialized
24 in the Confidential Settlement Agreement and Release ("Settlement Agreement,"
25 "Settlement," or "Agreement").

26 6. Attached hereto as **Exhibit 1** is the fully executed Settlement Agreement
27 setting forth the terms of the settlement. Attached as **Exhibit A** to the Settlement Agreement
28

1 is the Transmittal of Individual Settlement Award letter that will be sent to all Settlement
2 Group Members to provide them with notice of the settlement and information regarding their
3 Individual Settlement Awards.

4 7. The Gross Settlement Amount agreed to in the Settlement is \$85,000, subject
5 to Court approval. Plaintiff's Counsel shall receive \$32,300 (38% of the Gross Settlement
6 Amount) as the Attorneys' Fees Award, subject to Court approval.

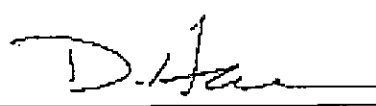
7 8. On or about February 21, 2023, Plaintiff provided notice of the Agreement to
8 the LWDA by electronically submitting a copy of the Agreement.

9 9. WHEREAS, attached hereto as **Exhibit 2** is the email confirmation from the
10 LWDA regarding the submission of the Agreement.

11 WHEREFORE, IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES
12 HERETO, THROUGH THEIR RESPECTIVE COUNSEL, AS FOLLOWS: The Settlement
13 Agreement is fair, adequate, and reasonable, as it represents a reasoned compromise reached
14 through arm's-length negotiations and considers the risks, complexity, and expense of further
15 litigation.

16
17 Dated: February 21, 2023

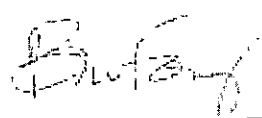
JUSTICE LAW CORPORATION

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19
20 By: 

DOUGLAS HAN
SHUNT TATAVOS-GHARAJEH
CHANCELLOR D. NOBLES
Attorneys for Plaintiff

21
22
23 Dated February 17, 2023

**SHEPPARD, MULLIN, RICHTER
& HAMPTON LLP**

24
25
26 By: 

JENNIFER G. REDMOND
BRIAN S. FONG
Attorney for Defendant

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JOINT STIPULATION AND ~~PROPOSED~~ APPROVAL ORDER GRANTING PRIVATE
ATTORNEYS GENERAL ACT SETTLEMENT AND RELEASE AGREEMENT

[PROPOSED] ORDER AND JUDGMENT

Having duly considered the above stipulation, and good cause appearing, **IT IS HEREBY ORDERED AND ADJUDGED AS FOLLOWS:**

1. All the defined terms contained herein shall have the same meaning as set forth in the Confidential Settlement Agreement and Release ("Settlement Agreement," "Settlement" or "Agreement").

2. Plaintiff Paul Blevin's ("Plaintiff") Complaint for Civil Penalties for Violation of Labor Code § 2698, *et seq.*, filed on December 16, 2022, asserts a single cause of action pursuant to the Private Attorneys General Act of 2004 ("PAGA") (Labor Code section 2698, *et seq.*) ("Action").

3. The Court finds Plaintiff has satisfied the prerequisites under Labor Code section 2699.3(a), including and not limited to providing notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant Markstein Beverage Co. of Sacramento ("Defendant") of the specific provisions of the Labor Code Plaintiff alleged Defendant violated as well as the facts and theories supporting the alleged violations. Furthermore, the Court finds the LWDA was provided notice of the wage-and-hour and payroll practices and facts alleged in the Complaint, including *inter alia*, by way of written correspondence on March 25, 2022 and December 1, 2022.

4. The "Settlement Group" covered under the Settlement Agreement consists of the following individuals: all current and former hourly-paid employees of Defendant at any time from March 25, 2021, through May 6, 2022 ("Settlement Group," "Settlement Group Members," and "Settlement Period").

5. The Court finds the Parties reached the Settlement Agreement as the result of arm's-length negotiations.

6. The Court considered the Settlement, and the monetary allocations provided thereby, and finds that they are fair, just, reasonable, and adequate.

7. The Court approves the payments of \$32,300 to Plaintiff's Counsel as the Attorneys' Fees Award and \$10,000 as the Litigation Costs Award. Defendant shall pay these

1 amounts in accordance with this Order and Judgment and the Settlement Agreement.

2 8. The Court approves the payment of \$5,000 to Plaintiff as the Plaintiff's
3 Enhancement Payment for his time and effort and for the risk he undertook in bringing and
4 prosecuting the Action. Defendant shall pay this amount in accordance with this Order and
5 Judgment and the Settlement.

6 9. The Court approves the payment of up to \$5,750 to Phoenix Settlement
7 Administrators, the Settlement Administrator, as the Settlement Administration Costs for the
8 costs of administering the Settlement.

9 10. Pursuant to Labor Code section 2699(l), the Court has reviewed the sum
10 allocated for payment of penalties under PAGA ("PAGA Penalties Fund"). The Court
11 determined the PAGA Penalties Fund is fair, just, reasonable, and adequate, and hereby
12 approves the PAGA Penalties Fund. The PAGA Penalties Fund shall be the portion of the
13 Gross Settlement Amount remaining after the above-approved Attorneys' Fees Award,
14 Litigation Costs Award, Settlement Administration Costs, and Plaintiff's Enhancement
15 Payment are paid, which is currently estimated to be \$31,950. Seventy-five percent (75%) of
16 the PAGA Penalties Fund (\$23,962.50) will be paid to the LWDA, and twenty-five percent
17 (25%) of the PAGA Penalties Fund (\$7,987.50) will be paid to the Settlement Group on a pro-
18 rata basis based on the number of pay periods the Settlement Group Member worked as an
19 hourly-paid employee of Defendant during the Settlement Period. Defendant shall pay this
20 amount in accordance with this Order and Judgment and the Settlement Agreement.

21 11. The Parties to this Action are directed to perform in accordance with the terms
22 set forth in the Settlement Agreement.

23 12. The Court hereby directs the Settlement Administrator to administer the
24 Settlement and to make the payments as provided for in the Settlement and by this Order and
25 Judgment.

26 13. The Court further finds that PAGA does not require that notice of the
27 Agreement be provided to the Settlement Group. However, the Settlement Administrator is
28 ordered to distribute payments to the Settlement Group Members with a cover letter. The

1 Court has reviewed and approved the Transmittal of Individual Settlement Award letter,
2 which will be distributed to the Settlement Group Members along with their Individual
3 Settlement Awards.

4 14. Within fifteen (15) days after the Effective Date (as defined in the
5 Agreement), Defendant shall provide to the Settlement Administrator a list of Settlement
6 Group Members that identifies for each Settlement Group Member his/her Social Security
7 Number, last known address, home telephone and phone numbers, and the number of pay
8 periods each Settlement Group Member actively worked for Defendant during the Settlement
9 Period.

10 15. Within fifteen (15) days after the Effective Date, Defendant shall deposit the
11 Gross Settlement Amount of \$85,000 with the Settlement Administrator.

12 16. Within fourteen (14) calendar days of the funding of the Settlement, the
13 Settlement Administrator will issue the payments required by section 7 of the Agreement to
14 the appropriate entities or persons. The Settlement Administrator shall obtain approval from
15 all counsel of the calculations before mailing Individual Settlement Awards.

16 17. Thereafter, all funds associated with settlement checks issued to Settlement
17 Group Members that have not been cashed, deposited, or negotiated one hundred twenty (120)
18 days after the date of their issuance will be directed to the California State Controller for
19 deposit in the Unclaimed Property Fund in the name of the employee.

20 18. Plaintiff, the LWDA, and Settlement Group Members are hereby bound by
21 the Settlement and its associated release of the Released Claims (as defined in the Agreement).

22 19. Settlement Group Members shall not have the right to opt out of or object to
23 the Settlement.

24 20. Upon the Court's approval of the Settlement Agreement and payment of all
25 sums required by the Settlement Agreement, Plaintiff shall file a request for dismissal of the
26 Action in its entirety as to Defendant with prejudice.

27 21. The Court shall retain jurisdiction as to the implementation and enforcement
28 of the terms of the Settlement.

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22. Notice of this Order and Judgment shall be given to the LWDA by submission through the online system established for the filing of notices and documents within ten (10) calendar days after its entry in conformity with Labor Code section 2699(l).

Date: 3/2/2023


Honorable Robert T. Waters
Judge of the Superior Court

EXHIBIT 1

CONFIDENTIAL SETTLEMENT AGREEMENT AND RELEASE

Subject to approval by the Superior Court of the State of California, County of San Joaquin (the "Superior Court"), this Confidential Settlement Agreement and Release ("Agreement") is made and entered into by and between Plaintiff Paul Blevins ("Plaintiff"), on behalf of himself and as a representative aggrieved employee pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), California Labor Code section 2698 *et seq.*, and Defendant Markstein Beverage Co. of Sacramento ("Markstein" or "Defendant") to settle the civil action entitled *Blevins v. Markstein Beverage Co. of Sacramento, et al.*, Case Number STK-CV-UOE-2022-0011667 (the "Lawsuit"), in the San Joaquin County Superior Court. Plaintiff and Defendant are collectively referred to herein as the "Parties," and each may be individually referred to herein as a "Party."

RECITALS

This Agreement is made in consideration of the following facts:

A. Plaintiff Paul Blevins ("Plaintiff") is a former hourly-paid non-exempt employee of Markstein Beverage Co. of Sacramento, who worked for Markstein as a merchandiser from 2018-2019.

B. Plaintiff contends that he suffered one or more violations of the California Labor Code during his work at Markstein and that he is therefore an "aggrieved employee" under PAGA, Labor Code section 2698 *et seq.*, pursuant to which an "aggrieved employee" may, after exhausting administrative remedies with the California Labor and Workforce Development Agency (the "LWDA"), act as an agent of the State of California to bring an action to recover civil penalties from his or her former employer on behalf of himself or herself and other current or former employees for violations of the California Labor Code.

C. Pursuant to PAGA, on March 25, 2022, Plaintiff submitted a letter to the LWDA (the "PAGA Notice"), alleging that Defendant subjected Plaintiff and other current and former hourly-paid or non-exempt employees of Defendant within the State of California to certain violations of the California Labor Code, including sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, premised upon Defendant's alleged failure to compensate their hourly-paid or non-exempt employees for all hours worked, failure to pay all minimum and overtime wages, failure to provide, authorize, and/or permit meal and rest breaks (or pay premiums in lieu thereof), failure to keep and provide complete and accurate wage statements, failure to reimburse employees for all necessary business expenses and related costs, failure to timely pay all wages due during employment and upon termination, and failure to maintain accurate and complete payroll records, all of which are collectively referred to herein as the "PAGA Claims."

D. The Lawsuit includes the Complaint Plaintiff filed on December 16, 2022, which seeks to recover civil penalties and attorneys' fees based on the PAGA Claims.

E. Defendant deny all of the allegations in the Lawsuit and any contention that Defendant committed any misconduct, wrongdoing, or any other actionable conduct of any kind, including any violation of the California Labor Code.

F. After evaluating the strengths and weaknesses of their respective positions; considering the time, expense, and risk associated with litigating the Lawsuit to judgment; and engaging in arm's-length settlement negotiations, the Parties desire, and have agreed, to fully and finally settle any and all claims in the Lawsuit up to and through the Settlement Period (as defined herein).

NOW, THEREFORE, in consideration of the promises and agreements contained herein, the Parties agree to, and, pursuant to Labor Code section 2699(l)(2), seek approval of, the following settlement terms.

SETTLEMENT TERMS

1. **Superior Court Approval of the Agreement.** In accordance with California Labor Code section 2699(l)(2), the Parties will present this Agreement to the Superior Court for its review and approval via stipulation or a noticed motion.

2. **Delivery of Agreement to the LWDA.** As required by California Labor Code section 2699(l)(2), Plaintiff will cause this Agreement to be submitted to the LWDA at the same time that this Agreement is submitted to the Superior Court for approval.

3. **Effective Date.** This Agreement shall become fully effective the later of either: (i) the date the Superior Court approves the Settlement and enters Judgment; (ii) if any objections or motions to intervene are filed prior to the date the Superior Court signs an Order granting approval of this Settlement, sixty (60) days from the later of the date the Superior Court signs an order granting approval of the Settlement or the date the Superior Court enters final judgment so long as no appeal is filed within that time frame; (iii) if the LWDA files an objection, the date there is a final resolution of the objection or appeal; or (iv) to the extent any appeals have been filed, the date on which they have been resolved or exhausted.

4. **No Admission of Liability.** The Parties acknowledge and agree that this Agreement is the result of, and evidences, a compromise and settlement of disputed claims in the Lawsuit and that this Agreement is made and entered into without any admission of liability or wrongdoing of any kind whatsoever by Defendant, who expressly deny and disclaim any liability or wrongdoing whatsoever. Accordingly, neither the execution of this Agreement, its creation, the payment of any sum or consideration hereunder, nor the performance of any obligation required by this Agreement is, or shall be construed as, an admission of wrongdoing or liability on the part of Defendant. Additionally, neither the execution of this Agreement, its creation, the payment of any sum or consideration hereunder, nor the performance of any obligation required by this Agreement is, or shall be construed as, an admission of the truth or accuracy of any allegation made by Plaintiff or Plaintiff's Counsel in the Lawsuit.

5. **Persons and Entities Covered by this Agreement.**

(a) **The Settlement Period.** This Agreement shall cover the period from March 25, 2021, through May 6, 2022, inclusive (the "Settlement Period").

(b) **The Settlement Group.** This Agreement shall cover all current and former hourly-paid employees of Defendant at any time from March 25, 2021, through May 6, 2022. Such employees shall be collectively referred to herein as the "Settlement Group." Each employee within the Settlement Group may be individually referred to herein as a "Settlement Group Member."

6. **Settlement Administration.**

(a) The Parties will retain Phoenix Settlement Administrators, to act as the "Settlement Administrator" with respect to this Agreement.

(b) The Settlement Administrator shall be responsible for establishing a qualified settlement fund pursuant to 26 U.S.C. § 486B, making all payments required by this Agreement, handling all required state and federal tax withholding and reporting related thereto to the extent necessary, and issuing all appropriate tax forms to Plaintiff, Plaintiff's Counsel, the Settlement Group, and the LWDA resulting from the settlement payments under this agreement.

(c) Any disputes concerning administration of the Agreement may be submitted to and resolved by the Superior Court.

7. **Settlement Payments.**

(a) **Gross Settlement Amount.** In consideration of, and subject to, the promises, terms, and conditions set forth in this Agreement – including the releases set forth in Section 9 of this Agreement – Defendant shall pay the maximum gross sum of Eighty Five Thousand Dollars (\$85,000.00) (the "Gross Settlement Amount"), in the manner and method set forth in this Agreement, to fully, finally, and completely settle the Lawsuit and the PAGA Claims alleged therein on behalf of the Settlement Group, including any and all associated claims for civil penalties, attorneys' fees, and litigation costs and expenses. Nothing in this Agreement, aside from the conditions set forth in Section 10, shall require Defendant to pay, or make Defendant liable for, more than the Gross Settlement Amount to fully, finally, and completely settle the Lawsuit and all claims alleged therein.

(b) **Allocation of Gross Settlement Amount.** The Gross Settlement Amount shall consist of the following categories of payments: the proposed award of attorneys' fees to Plaintiff's Counsel in the Lawsuit, the proposed award of litigation costs and expenses to Plaintiff's Counsel, the proposed payment of settlement administration costs to the Settlement Administrator, the proposed payments of civil penalties to the LWDA and the Settlement Group, and the proposed enhancement payment to Plaintiff in the amount of \$5,000.00 for his time and effort and for the risk he undertook in bringing and prosecuting the Lawsuit. Subject to approval by the Superior

Court, these amounts shall be paid and allocated as set forth below in Sections 7(b)(i) through 7(b)(vi) of this Agreement.

(i) **Attorneys' Fees Award.**

(A) Plaintiff's attorneys in the Lawsuit – Douglas Han, Shunt Tatavos-Gharajeh, and Chancellor D. Nobles of Justice Law Corporation ("Plaintiff's Counsel") – may submit a combined application to the Superior Court for an award of attorneys' fees in an amount not to exceed the gross sum of Thirty Two Thousand Three Hundred Dollars (\$32,300.00) (38% of the Gross Settlement Amount) (the "Attorneys' Fees Award"). Defendant will not oppose or object to this application.

(B) Any Attorneys' Fees Award approved by the Superior Court will be paid by Defendant out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiff may have for attorneys' fees arising out of the Lawsuit through the Effective Date of this Agreement, including work not yet performed.

(C) This Agreement is not contingent upon the Superior Court approving an Attorneys' Fees Award in an amount equal to the maximum amount authorized by Section 7(b)(i)(A) of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve an Attorneys' Fees Award that is less than the amount authorized by Section 7(b)(i)(A) of this Agreement or the amount requested by Plaintiff's Counsel.

(D) In the event that any portion of the Attorneys' Fees Award authorized by Section 7(b)(i)(A) of this Agreement is not approved by the Superior Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Attorneys' Fees Award. Additionally, any difference between the Attorneys' Fees Award authorized by Section 7(b)(i)(A) and the Attorneys' Fees Award approved by the Superior Court will become part of the Net Settlement Amount.

(ii) **Litigation Costs Award.**

(A) Plaintiff's Counsel may submit an application to the Superior Court for an award for reimbursement of litigation costs and expenses incurred by Plaintiff's Counsel in connection with the Lawsuit that is currently estimated not to exceed the combined gross sum of Ten Thousand Dollars (\$10,000.00) (the "Litigation Costs Award"). Defendant will not oppose or object to this application.

(B) Any Litigation Costs Award approved by the Superior Court will be paid by Defendant out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiff may have for litigation costs and expenses arising out of the Lawsuit through the Effective Date of this Agreement, including litigation costs and expenses not yet incurred.

(C) This Agreement is not contingent upon the Superior Court approving a Litigation Costs Award in an amount equal to the maximum amount authorized by Section 7(b)(ii)(A) of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve a Litigation Costs Award that is less than the amount authorized by Section 7(b)(ii)(A) of this Agreement or the amount requested by Plaintiff's Counsel.

(D) In the event that any portion of the Litigation Costs Award authorized by Section 7(b)(ii)(A) of this Agreement is not approved by the Superior Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Litigation Costs Award. Additionally, any difference between the Litigation Costs Award authorized by Section 7(b)(ii)(A) and the Litigation Costs Award approved by the Superior Court will become part of the Net Settlement Amount.

(iii) **Settlement Administration Costs.**

(A) Subject to approval by the Superior Court, an amount currently estimated at five thousand seven hundred and fifty dollars (\$5,750.00) but not to exceed five thousand seven hundred and fifty dollars (\$5,750.00) will be paid to the Settlement Administrator out of the Gross Settlement Amount to cover the costs of the settlement administration process ("Administration Costs"). If the actual costs of the settlement administration process are less than the amount approved by the Superior Court, the balance will become part of the Net Settlement Amount.

(B) Any Administration Costs approved by the Superior Court will be paid out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of any settlement administration costs.

(C) This Agreement is not contingent upon the Superior Court approving Administration Costs in an amount equal to the maximum amount authorized by Section 7(b)(iii)(A) of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve Administration Costs in an amount that is less than the amount authorized by Section 7(b)(iii)(A) of this Agreement.

(D) In the event that any portion of the Administration Costs authorized by Section 7(b)(iii)(A) of this Agreement is not approved by the Superior Court, no more than the approved amount shall be paid to the Settlement Administrator out of the Gross Settlement Amount. Additionally, the difference between the Administration Costs authorized by Section 7(b)(iii)(A) and the Administration Costs approved by the Superior Court will become part of the Net Settlement Amount.

(iv) **Plaintiff's Enhancement Payment.**

(A) Plaintiff may submit an application to the Superior Court for an award of an enhancement payment in an amount not to exceed Five Thousand Dollars (\$5,000.00) for Plaintiff's time and effort and for the risk he undertook in bringing and prosecuting

the Lawsuit ("Enhancement Payment"). Defendant shall not oppose any requests by Plaintiff for the Enhancement Payment, which will be paid out of the Gross Settlement Amount.

(B) This Agreement is not contingent upon the Superior Court approving the Enhancement Payment in an amount equal to the maximum amount authorized by Section 7(b)(iv)(A). This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve the Enhancement Payment in an amount less than that authorized by Section 7(b)(iv)(A).

(C) In the event that any portion of the Enhancement Payment authorized by Section 7(b)(iv)(A) is not approved by the Superior Court, no more than the approved amount shall be paid to Plaintiff from the Gross Settlement Amount. Additionally, any difference between the Enhancement Payment authorized by Section 7(b)(iv)(A) and the Enhancement Payment approved by the Superior Court will become part of the Net Settlement Amount.

(D) In consideration of the Service Award, Plaintiff agrees to execute a full general release of all claims through the Effective Date, including a 1542 waiver. Plaintiff's general release of claims includes all claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those that Plaintiff now knows or believes to be true with respect to the subject matter of Plaintiff's claims, those claims will remain released and forever barred. Thus, Plaintiff expressly waives and relinquish the provisions, rights and benefits 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.

(v) **PAGA Penalties Fund.** The portion of the Gross Settlement Amount remaining after the Attorneys' Fees Award, Litigation Costs Award, Enhancement Payment, and Administration Costs are paid shall be designated the "PAGA Penalties Fund," from which payments deemed to constitute a full and complete satisfaction of any and all claims in the Lawsuit for civil penalties under PAGA shall be made. Based on the terms of the Agreement, the PAGA Penalties Fund is estimated to be thirty one thousand nine hundred fifty dollars (\$31,950.00). (This number may change if the Attorneys' Fees Award, Litigation Costs Award, Administration Costs and/or the Enhancement Payment are awarded in amounts other than those set forth above.) Subject to approval by the Superior Court, the PAGA Penalties Fund shall be allocated and paid as follows:

(A) **The LWDA Payment.** The gross sum of twenty three thousand nine hundred sixty-two dollars and fifty cents (\$23,962.50), which represents seventy-five percent (75%) of the PAGA Penalties Fund, will be paid to the LWDA for enforcement of California's labor laws, including the administration of PAGA, and for education of employers and employees about their rights and responsibilities under the California Labor Code.

(B) **Individual Settlement Awards.** The gross sum of seven thousand nine hundred eighty seven dollars and fifty cents (\$7,987.50), which represents twenty-five percent (25%) of the PAGA Penalties Fund, shall be designated as the "Net Settlement Amount" and will be paid to the Settlement Group on a pro rata basis. Each Settlement Group Member will receive a pro-rated share of the Net Settlement Amount based on the total number of pay periods the Settlement Group Member worked as an hourly-paid employee of Defendant during the Settlement Period. The maximum amount that each Settlement Group Member is entitled to receive ("Individual Settlement Award") is determined by multiplying the Net Settlement Amount by a ratio that is determined by dividing the total number of pay periods worked by the Settlement Group Member for Defendant in California during the Settlement Period by the total number of pay periods worked by all Settlement Group Members for Defendant in California during the Settlement Period, as expressed in the following formula:

(1) Settlement Group Member Payment = Net Settlement Amount, multiplied by the total number of pay periods worked by the Settlement Group Member, divided by the total number of pay periods worked by all Settlement Group Members.

(2) The Parties intend that the Net Settlement Amount shall be sufficient to pay all valid claims of Settlement Group Members in accordance with the formula set forth above. Accordingly, if for any reason the total value of payments to Settlement Group Members exceeds this amount, then payments to each Settlement Group Member will be adjusted on a pro-rata basis so that the total payout to Settlement Group Members does not exceed the Net Settlement Amount.

(c) **No Effect on Employee Benefits.** The payments made to Settlement Group Members pursuant to this Agreement shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Group Members may be eligible, including, but not limited to, any profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, or other benefit plans available to the Settlement Group. It is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which any Settlement Group Members may be entitled under any benefit plans.

(i) **Payments to Plaintiff's Counsel.** The Attorneys' Fees Award and Litigation Costs Award shall be treated as IRS Form 1099 income. Accordingly, the Settlement Administrator shall issue an IRS Form 1099 to Justice Law Corporation in connection with their Attorneys' Fees Award and Litigation Costs Award.

(ii) **Payments to the LWDA.** The seventy-five percent (75%) of the PAGA Penalties Fund payable to the LWDA under Section 7(b)(vi)(A) of this Agreement shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income.

(iii) **Payments to the Settlement Group.** Individual Settlement Awards shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income. Accordingly, an IRS Form 1099 will be issued to each

Settlement Group Member in connection with his or her Individual Settlement Award if it is \$600.00 or more.

(d) **Tax Indemnification.** Plaintiff, Plaintiff's Counsel, the Settlement Group, and applicable governmental authorities (including the LWDA) are solely responsible for all tax obligations, including all reporting and payment obligations, attributable to them that may arise as a consequence of this Agreement and the payment of the amounts set forth above in Section 7(b). Neither Defendant nor Defendant's attorneys make any express or implied promise, representation, or warranty regarding the tax consequences or tax treatment under federal or state tax laws for any sum paid pursuant to this Agreement.

8. **Distribution of Settlement Payments.**

(a) **Funding of Settlement by Defendant.** Fifteen (15) days after the Effective Date, Defendant shall: deposit Eighty Five Thousand Dollars (\$85,000.00) with the Settlement Administrator.

(b) **Timing of Payment by Settlement Administrator.** Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue the payments required by Section 7 of this Agreement to the appropriate entities or persons. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual Settlement Awards.

(c) **Payment of Individual Settlement Awards.**

(i) Individual Settlement Awards will be paid in the form of a check delivered to each Settlement Group Member at the last known address on file with Defendant or as updated by the Settlement Administrator. Each Individual Settlement Award will be accompanied by an explanatory letter, mutually approved by the Parties, substantially in the form attached hereto as **Exhibit A**.

(ii) Individual Settlement Award checks will remain negotiable for one hundred twenty (120) days after the date of their issuance (the "Check Stale Date"). Any Individual Settlement Award checks that are not cashed, deposited, or negotiated after the Check Stale Date will be void and the amount of those checks will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

(iii) Any checks to the Settlement Group that are returned as undeliverable on or before the Check Stale Date will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip trace or other reasonable method and will then perform a single remailing. Any Settlement Group Member who cannot be located after the above procedures are followed will continue to be bound by this Agreement, but the funds associated with his or her Individual Settlement Award will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

(iv) Within fifteen (15) days after the Effective Date, Defendant shall provide to the Settlement Administrator a list of Settlement Group Members that identifies for each Settlement Group Member his/her Social Security number, last known address, home telephone and phone numbers, and the number of pay periods each Settlement Group Member actively worked for Defendant during the Settlement Period. Defendant agrees to consult with the Settlement Administrator as required to provide the list in a format reasonably acceptable for the performance of the duties of the Settlement Administrator. The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, take adequate safeguards to protect confidential or private information and return or certify the destruction of the information upon completion of the Settlement Administration process. The list of Settlement Group Members shall not be shared with Plaintiff or his counsel

9. **Releases.**

(a) **Release of PAGA Claims.** This Agreement and the judgment to be entered by the Superior Court following this Agreement, forever bar Plaintiff, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all allegedly aggrieved employees, from pursuing any action against Defendant, and each of its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, fictitious business names, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, affiliates, alter-egos, and affiliated organizations, and all of its respective past, present and future employees, directors, officers, agents, and fiduciaries ("Released Parties") under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code section 2698, *et seq.*, based on or arising out of violations of Labor Code sections alleged in the Lawsuit, and claims that could have been asserted in the Lawsuit based upon the facts alleged and legal assertions alleged, whether or not specifically delineated as a claim or cause of action in the Lawsuit through the end of the Settlement Period, including but not limited to those alleged in all of Plaintiff's notices provided to the LWDA, the operative Complaint in the Lawsuit, and any amended Complaint in the Lawsuit, including claims that reasonably arise out of or arise in connection with the claims and facts alleged in the Lawsuit, and any claims which could have reasonably been asserted in the Lawsuit arising from the alleged facts and/or primary rights alleged to have been invaded ("Released Claims"). The Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 227.3, 233, 246, 248.1, 248.2, 248.6, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 2751, 2800, 2802, 6400, 6401, 6402, 6403, 6404, and 6407, all claims arising under the Wage Orders of the California Industrial Welfare Commission, and all claims arising under 8 CCR section 3205, *et seq.* The release extends to all remedies that could be claimed under PAGA for any Released Claims, including but not limited to statutory, constitutional, contractual, and common law claims for interest, attorney fees and costs or injunctive relief, punitive damages, liquidated damages, restitution, disgorgement, and civil and/or statutory penalties, including under Labor Code sections 218.5, 203, 206, 226(e) and 558(a), which includes penalties recoverable under PAGA in an amount equal to underpaid wages.

(b) As of the date of entry of Judgment, Plaintiff fully and finally releases the Released Parties, from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law Plaintiff (or Plaintiff's predecessors, successors, assigns, representatives, or authorized agents) ever had, now has, or which Plaintiff's heirs, assigns, executors or administrators hereafter can, shall or may have, arising out of or relating in any way to any acts, circumstances, facts, transactions, omissions, or other subject matters, based on facts occurring prior to the time Plaintiff executes this Agreement, including but not limited to claims arising from or related to his employment with Defendant and their compensation while employees of Defendant ("Plaintiff's Released Claims"). Plaintiff's Released Claims include, but are not limited to, all claims arising from or related to the Lawsuit. Plaintiff's Released Claims include but are not limited to all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed meal period and rest-period wages; reimbursement for all necessary business expenses; payment for all hours worked, including off-the-clock work; deductions; failure to pay wages during employment and provide timely pay at separation; failure to pay reporting time pay; failure to keep accurate records, including payroll, timekeeping, and itemized wage statements; failure to provide paid sick leave at the required rate; unfair business practices; failure to provide lawful, written commission agreements; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's Released Claims include all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 204b, 204.1, 204.2, 204.11, 205, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 246, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.1, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1197.5, 1198, 2751; 2802, 2810.5 2698 et seq., and 2699 et seq.); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code section 17200, et seq.; the California Civil Code, to include but not limited to, sections 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR § 11060; California Code of Civil Procedure § 1021.5; the California common law of contract; the Occupational Safety and Health Act (OSHA) (federal and California), the Worker Adjustment and Retraining Notification Act (federal and California), the American Rescue Plan Act (ARPA), the Families First Coronavirus Response Act (FFCRA), the Fair Labor Standards Act (FLSA), 29 U.S.C. § 201, et seq.; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. ("ERISA"). Plaintiff's Released Claims also include all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, and the California Fair Employment and Housing Act; and the law of contract and tort. This release excludes the release of claims not permitted by law. Plaintiff's Released Claims include all claims, whether known or unknown. Even if Plaintiffs discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred. Thus, Plaintiff expressly waives and

relinquishes the provisions, rights and benefits 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.

Notwithstanding the foregoing, Plaintiff does not waive or release any claim which cannot be waived or released by private agreement. Further, nothing in this Agreement shall prevent Plaintiff from filing a charge or complaint with, or from participating in, an investigation or proceeding conducted by the SEC, OSHA, EEOC, CRD, NLRB or any other federal, state or local agency charged with the enforcement of any employment or other applicable laws. Plaintiff, however, understands that by signing this Agreement, he waives the right to recover any damages or to receive other relief in any claim or suit brought by or through the EEOC, the CRD or any other state or local deferral agency on their behalf to the fullest extent permitted by law, but expressly excluding any monetary award or other relief available from the SEC/OSHA, including an SEC/OSHA whistleblower award, or other awards or relief that may not lawfully be waived.

(c) Release of ADEA Claims. The general release of claims by Plaintiff in Section 9(b) of this Agreement includes a release of any claim Plaintiff may have under the federal Older Workers Benefit Protection Act ("OWBPA") and/or the federal Age Discrimination In Employment Act of 1967 ("ADEA"). By signing this Agreement, Plaintiff acknowledges that:

(i) Plaintiff has had a full twenty-one (21) days within which to consider Section 9(b) of this Agreement before executing it or have freely and knowingly waived the right to consider Section 9(b) of this Agreement for a full twenty-one (21) days by executing the Agreement before the expiration of the twenty-one (21)-day period;

(ii) Plaintiff and Defendant agree that any changes, whether material or immaterial, to Section 9(b) of this Agreement, do not restart the running of the twenty-one (21)-day period;

(iii) Plaintiff has carefully read and fully understand all provisions of Section 9(b) of this Agreement;

(iv) Plaintiff knowingly and voluntarily agrees to all of the terms set forth in Section 9(b) of this Agreement and agree to be legally bound by all of the terms set forth in Section 9(b) of this Agreement;

(v) Plaintiff has been and hereby are advised in writing to consider the terms of Section 9(b) of this Agreement and to consult with an attorney;

(vi) Prior to signing this Agreement, Plaintiff have had the opportunity to consult with counsel of their choice concerning the terms and conditions of Section 9(b) of this Agreement and have done so or freely chosen not to do so;

(vii) Plaintiff have a full seven (7) days following the execution of this Agreement to revoke Section 9(b) of this Agreement. To revoke, they must deliver a written statement of revocation to Jennifer Redmond at jredmond@sheppardmullin.com, or at Four Embarcadero Center, 17th Floor, San Francisco, CA 94111 no later than the seventh (7th) day after they signed this Agreement. If Plaintiff revokes within seven (7) days, he will not be entitled to his Enhancement Payment, and Section 9(b) of this agreement shall be null and void; and

(viii) Plaintiff expressly understands that among the various rights and claims being waived by Section III.J.4 of this Agreement are those arising under the Age Discrimination in Employment Act (ADEA) of 1967 (29 U.S.C. § 621, et seq.), but that any such claims that arise after the date of this Agreement are not waived. Although Plaintiff is releasing claims that he may have under the Older Workers Benefit Protection Act (OWBPA) and ADEA, Plaintiff understands that he may challenge the knowing and voluntary nature of their release in Section 9(b) of this Agreement before a court, the EEOC, NLRB, or any other federal, state or local agency charged with the enforcement of such employment laws.

10. **Escalator Clause.** This Agreement was reached based on a total number of 9,974 pay periods worked by Settlement Group Members in the Settlement Period. If the number of pay periods as of the end date of the Settlement Period exceeds this figure by more than five percent (5%), or 10,473 pay periods, Defendant shall increase the Gross Settlement Amount on a pro-rata basis according to the number of additional compensable pay periods over 10,473 pay periods.

11. **Dismissal.** Upon the Superior Court's approval of this Agreement and payment of all sums required by this Agreement, Plaintiff shall file a request for dismissal of the Action in its entirety as to Defendant with prejudice. Pursuant to California Code of Civil Procedure section 664.6, the Superior Court shall retain jurisdiction to enforce the terms of this Agreement.

12. **Acknowledgement of Fair and Reasonable Settlement.** The Parties have arrived at this Agreement after arm's-length negotiations between experienced counsel. Each of the Parties acknowledges, agrees, and believes that this Agreement is a fair, adequate, and reasonable settlement of the Lawsuit. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement. Each Party to this Agreement agrees and represents that it has investigated the facts relevant to this Agreement, and all matters pertaining thereto, to the full extent that each Party deems necessary. The Parties agree that this Agreement reflects their good faith compromise of the claims raised in the Lawsuit based on their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel.

13. **Authority to Enter into Agreement.** Each Party represents and warrants that it has the right and authority to execute this Agreement.

14. **Ownership of Claims.** The Parties represent that they have not transferred or assigned, or purported to transfer or assign, to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

15. **Authorization of Counsel.** Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and 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 required to effectuate the terms of this Agreement.

16. **Attorneys' Fees.** Except as set forth in this Agreement, each side shall bear its own costs and attorneys' fees.

17. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, the Parties and their respective Counsel will keep the facts relating to the existence of this Agreement, the negotiations leading to the execution of this Agreement, the terms of this Agreement, and the alleged factual basis for Plaintiff's claims, if any, confidential. Neither the Parties nor their respective Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's counsel may reference the Action only by name and case number in a declaration establishing adequacy as class or representative counsel.

18. **Duty to Cooperate.** Each Party agrees that it will abide by this Agreement, and that the Parties and their counsel will cooperate with each other to effect the implementation of this Agreement. The Parties pledge their good faith and fair dealing in supporting the approval of this Agreement by the Superior Court, including, but not limited to, fully documenting the settlement, completing or filing any other documents or pleadings, arguing that the terms and conditions agreed upon should be enforced fully, commencing any required action (either in court or in arbitration), jointly appealing and/or otherwise exhausting judicial review of any adverse ruling, etc. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the Superior Court to resolve their disagreement.

19. **Nullification of Agreement.** Defendant's payment of the Gross Settlement Amount shall be subject to the Superior Court granting approval, and if the Superior Court fails to grant approval, the Parties shall be returned to their original respective positions as though this Agreement had never been entered into at all, with the exception that if any settlement administration costs are due and payable, the Parties agree to split those costs.

20. **Defendant's Option to Revoke.** Should the settlement, or any terms therein, be modified, vacated, altered, or become otherwise subject to challenge by law, including, but not limited to, any law that became effective after the execution of this Agreement, so that this Agreement is not approved by the Superior Court in its entirety and therefore the intent of the Parties cannot be accomplished after jointly taken efforts to enforce it have been exhausted, Defendant shall have the option to revoke this Agreement at their sole discretion.

21. **Severability.** Should any clause or provision of this Agreement be declared illegal or unenforceable, it shall be modified as minimally as necessary to be enforceable. If the provision

cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

22. **Governing Law and Interpretation.** This Agreement shall be governed in accordance with the laws of the State of California. The Agreement shall be interpreted in accordance with the plain meaning of its terms and shall not be strictly interpreted for or against any of the Parties to this Agreement. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, the Parties expressly waive the benefit of any legal principle or rule providing that in cases of uncertainty the language of a contract should be interpreted against the Party who caused the uncertainty to exist.

23. **Continuing Jurisdiction of the Superior Court.** Pursuant to California Code of Civil Procedure section 664.6, the Superior Court shall retain continuing jurisdiction over the Lawsuit and the Parties to the fullest extent necessary to enforce and effectuate the terms and intent of this Agreement.

24. **Admissibility of Agreement.** The Parties agree that this Agreement is admissible for the purposes of proving up and or enforcing the terms of the Agreement, as set forth herein, pursuant to California Evidence Code section 1123.

25. **Amendment and Modification.** This Agreement may not be modified, altered or changed, except by a written instrument signed by either the Parties or their successors-in-interest or counsel for all Parties.

26. **Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

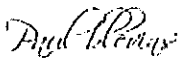
27. **No Representations.** The Parties acknowledge that, except as expressly set forth herein, no representation of any kind or character has been made to induce the execution of this Agreement.

28. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures sent by facsimile transmission or scanned e-mail transmission have the same force, validity, and effect as original signatures.

* * *

IN WITNESS WHEREOF, the Parties – Plaintiff Paul Blevins and Defendant Markstein Beverage Co. of Sacramento, and their counsel – knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Date: 01/11/2023 PLAINTIFF PAUL BLEVINS

By: 
Paul Blevins

Date: _____ DEFENDANT MARKSTEIN BEVERAGE CO. OF
SACRAMENTO

By: _____
Representative, on behalf of Defendant Markstein
Beverage Co. of Sacramento

Date: 1/12/23 JUSTICE LAW CORPORATION

By: 
Douglas Han
Shunt Tatavos-Gharajeh
Chancellor D. Nobles
Attorneys for Plaintiff Paul Blevins

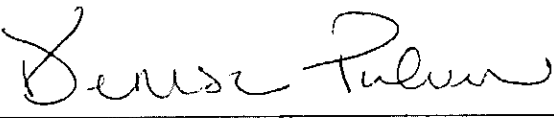
Date: _____ SheppardMullin, LLP

By: _____
Jennifer Redmond
Attorney for Defendant Markstein Beverage Co. of
Sacramento

By: _____
Paul Blevins

Date: 1.17.23

DEFENDANT MARKSTEIN BEVERAGE CO. OF
SACRAMENTO

By: 
Representative, on behalf of Defendant Markstein
Beverage Co. of Sacramento

Date: _____

JUSTICE LAW CORPORATION

By: _____
Douglas Han
Shunt Tatavos-Gharajeh
Chancellor D. Nobles
Attorneys for Plaintiff Paul Blevins

Date: January 17, 2023

SheppardMullin, LLP

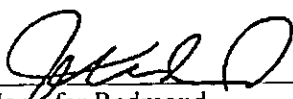
By: 
Jennifer Redmond
Attorney for Defendant Markstein Beverage Co. of
Sacramento

EXHIBIT A

TRANSMITTAL OF INDIVIDUAL SETTLEMENT AWARD

Blevins v. Markstein Beverage Co. of Sacramento
Superior Court of the State of California, County of San Joaquin
Case No. STK-CV-UOE-2022-0011667

Dear [Settlement Group Member's Name]:

Enclosed with this letter is a settlement check being paid to you pursuant to the settlement of the lawsuit filed in the Superior Court of California, County of San Joaquin, as *Blevins v. Markstein Beverage Co. of Sacramento* (Case No. STK-CV-UOE-2022-0011667) ("Lawsuit"). The purpose of this letter is to provide you with basic information about the Lawsuit, the reasons why you are receiving the enclosed settlement check, and the effect of the settlement on your legal rights.

I. The Lawsuit

The Lawsuit was filed on December 16, 2022 by Plaintiff Paul Blevins ("Plaintiff"), a former employee of Defendant Markstein Beverage Co. of Sacramento ("Defendant"), against Defendant.

In the Lawsuit, Plaintiff alleged that he and other current and former hourly-paid employees of Defendant experienced violations of the Labor Code by Defendant. Specifically, Plaintiff alleged Defendant violated Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 227.3, 233, 246, 248.1, 248.2, 248.6, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 2751, 2800 2802, 6400, 6401, 6402, 6403, 6404, and 6407, and all claims arising under the Wage Orders of the California Industrial Welfare Commission and all claims arising under 8 CCR section 3205, *et seq.*, premised upon Defendant's alleged: (1) failure to compensate their hourly-paid employees for all hours worked; (2) failure to properly pay all minimum and overtime wages; (3) failure to properly pay all paid sick leave; (4) failure to provide, authorize and/or permit meal and rest breaks (or pay premiums in lieu thereof); (5) failure to keep and provide complete and accurate wage statements; (6) failure to reimburse for all necessary business expenses and related costs; (7) failure to timely pay all wages due during employment and upon discharge; (8) failure to provide employee one days' rest in seven; (9) requirement that employees sign illegal arbitration agreements; (10) failure to provide written commission plan agreements; and (11) failure to maintain accurate and complete payroll records. Based thereon, the Lawsuit sought civil penalties under the Private Attorneys General Act of 2004 ("PAGA"), which is codified at Labor Code section 2698, on behalf of the State of California and all current and former hourly-paid employees of Defendant.

Defendant denies the allegations in the Lawsuit. Defendant contends it followed lawful policies and practices and that Plaintiff and the other hourly-paid employees at issue in the Lawsuit were compensated for all hours worked, were paid all minimum and overtime wages, were provided compliant meal and rest breaks (or were paid premiums in lieu thereof), received compliant wage statements, were reimbursed for all necessary business expenses, were timely paid all wages due during employment and upon termination, and that Defendant properly kept accurate and complete payroll records.

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The merits of the Lawsuit have not been determined. On [Approval Date], the Superior Court of California, County of San Joaquin, approved a settlement of the Lawsuit.

II. Why the Settlement Check Is Being Sent to You

The settlement approved by the Superior Court of California, County of San Joaquin, on [Approval Date] involves a payment of civil penalties in the amount of \$85,000 and the reimbursement of attorneys' fees and litigation costs incurred by Plaintiff in furtherance of the Lawsuit. In accordance with PAGA, seventy-five percent (75%) of the civil penalties paid under the settlement are being paid to the California Labor and Workforce Development Agency. The remaining twenty-five percent (25%) of the civil penalties paid under the settlement are being distributed to the current and former hourly-paid employees of Defendant at any time from March 25, 2021, through May 6, 2022 ("Settlement Group" and "Settlement Group Members"). The enclosed settlement check is being sent to you because you have been identified as a Settlement Group Member.

III. How the Amount of Your Settlement Check Was Determined

The enclosed settlement check was calculated based on the number of pay periods during which you performed work for Defendant between March 25, 2021, through May 6, 2022 (the "Settlement Period") relative to the entire Settlement Group. Specifically, the enclosed settlement check was calculated as follows:

- Each seven-day period beginning on Sunday and ending on Saturday (*i.e.*, a calendar week) during the Settlement Period was deemed a pay period.
- Each pay period during the Settlement Period during which a Settlement Group Member actually worked was counted toward the Settlement Group Member's total number of pay periods worked during the Settlement Period.
- The amount of your settlement check was calculated by dividing the total number of pay periods you worked for Defendant in California during the Settlement Period by the total number of pay periods worked by all Settlement Group Members for Defendant in California during the Settlement Period and then multiplying this by the twenty-five percent (25%) portion of the civil penalties payable to the Settlement Group under the settlement ("Net Settlement Amount").
- You should obtain tax advice from your own tax advisor with respect to any payment resulting from this Settlement.

Your settlement check will remain negotiable for one hundred twenty (120) days. If you do not cash, deposit, or negotiate your settlement check within one hundred twenty (120) days, the settlement check will become void and the funds will be directed to the California State Controller for deposit in the Unclaimed Property Fund in your name. Cashing the settlement check releases claims only for civil penalties that could be collected by the State of California.

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IV. Consequences of the Settlement

The Lawsuit was filed exclusively as a representative action under PAGA, which functions as a substitute for an enforcement action by the State of California.

The Court's order and judgment approving the settlement of the Lawsuit binds all persons, including nonparty employees, who would be bound by a judgment in an action brought by the State of California itself. As a result, although you are not a "party" to the Lawsuit, the judgment entered upon settlement of the Lawsuit is binding on you with respect to any claims for civil penalties under PAGA encompassed by the settlement. That is true regardless of whether you choose to cash, deposit, or negotiate the enclosed settlement check.

V. Taxation of Your Individual Settlement Award

You will be issued an IRS Form 1099 in connection with the funds paid to you via the enclosed check if your check exceeds \$600. However, you are solely responsible for all tax obligations attributable to you that may arise as a result of receiving the settlement check. Should you seek tax advice or have tax questions relating to your receipt of the enclosed check, you should direct them to your own personal tax advisor.

VI. Where to Get More Information

Do not call or contact the Superior Court of California, County of San Joaquin, about this letter, the settlement, the settlement check sent to you, or the Lawsuit in general. If you have questions about this letter, the settlement, the settlement check sent to you, or the Lawsuit in general, you may contact the Settlement Administrator at [INSERT CONTACT INFORMATION].

Dated: INSERT DATE

EXHIBIT 2

2/21/23, 11:27 AM

Justice Law Corporation Mail - Thank you for your Proposed Settlement Submission



Justice Law Corporation <info@justicelawcorp.com>

Thank you for your Proposed Settlement Submission

1 message

DIR PAGA Unit <lwdadonotreply@dir.ca.gov>
To: info@justicelawcorp.com

Tue, Feb 21, 2023 at 11:27 AM

02/21/2023 11:27:01 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

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PROOF OF SERVICE
1013A(3) CCP

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 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is manderson@justicelawcorp.com

On March 8, 2023, I served the foregoing document described as

JOINT STIPULATION AND APPROVAL ORDER GRANTING PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698, ET SEQ.) SETTLEMENT AND RELEASE AGREEMENT

for the following case: **Blevins v. Markstein Beverage Co. of Sacramento**
LWDA/Court Case No.: **LWDA Case No.: LWDA-CM-875475-22**
Court Case No.: STK-CV-UOE-2022-0011667
San Joaquin Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

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

Executed on March 8, 2023, at Pasadena, California.



Mariah Anderson