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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO

MATTHEW TOWNSEND, on behalf of himself and the Class members, *Plaintiff,* v. ALLIANCE ENVIRONMENTAL GROUP, LLC; ALLIANCE TEAM HEAT, INC; OPM SERVICES, LLC; and DOES 1 through 100, inclusive, *Defendants.*	Case No.: 34-2022-00317279-CU-OE-GDS [Lead Case]; 34-2022-00320570-CU-OE-GDS Hon. Jill H. Talley Dept. 23 **CLASS ACTION AND PAGA SETTLEMENT** **<u>CLASS ACTION</u>** Complaint Filed: March 23, 2022 Trial Date: None Set
MATTHEW TOWNSEND, on behalf of the State of California and Aggrieved Employees, *Plaintiff,* v. ALLIANCE ENVIRONMENTAL GROUP, LLC; ALLIANCE TEAM HEAT, INC; OPM SERVICES, LLC, *Defendants.*	**<u>PAGA ACTION</u>** Complaint Filed: May 25, 2022 Trial Date: None Set

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CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE

1. This Class Action and PAGA Settlement Agreement and Release (the "Settlement Agreement," "Settlement" or "Agreement") is entered into between Plaintiff Matthew Townsend ("Plaintiff"), individually and on behalf of all the putative Class and the Labor Commissioner, and Defendants Alliance Environmental Group, LLC, Alliance Team Heat, Inc., and OPM Services, LLC ("Defendants"), subject to the approval of the Court. Plaintiff and Defendants are collectively referred to as the "Parties."

DEFINITIONS

2. The following terms used in this Settlement Agreement shall have the meanings ascribed to them below:

a. "Actions" means the above-captioned consolidated Actions, *Townsend v. Alliance Environmental Group, LLC, et al.,* Superior Court of California, County of Sacramento, Case Number 34-2022-00317279-CU-OE-GDS, and Case No. 34-2022-00320570-CU-OE-GDS.

b. "Aggrieved Employees" means all nonexempt current and former employees who worked for any Defendant in California in Field-related Positions from March 21, 2021, through July 17, 2025. Defendants represent that the number of Aggrieved Employees during this period is approximately 241.

c. "Class" or "Class Members" means all nonexempt current and former employees of any Defendant who 1) have not signed an arbitration agreement or whose arbitration agreement has been found unenforceable for purposes of this case, and 2) worked for any Defendant in California in Field-related Positions during the Class Period. Defendants represent that the number of Class Members within the Class Period is approximately 604.

d. "Class Counsel" means Schneider Wallace Cottrell Kim LLP.

e. "Class Counsel's Costs" refers to the amount of reasonable litigation expenses Class Counsel incurred in connection with the Actions, including their pre-filing investigation, their filing of the Actions and all related litigation activities, and all post-Settlement compliance procedures.

f. "Class List" means a list of Class Members that Defendants will compile from their records. The Class List shall include: each Class Member's full name; last known address; last known email address; last known telephone number; Social Security number; the total number of workweeks that each Class Member worked in the state of California during the Class Period; and the total number of pay periods that each Aggrieved Employee worked in the state of California during the PAGA Period.

g. "Class Period" means September 27, 2017, through July 17, 2025.

h. "Court" means the Superior Court of California, County of Sacramento.

i. "Defendants" means Alliance Environmental Group, LLC, Alliance Team Heat, Inc., and OPM Services, LLC.

j. "Defendants' Counsel" means Gordon Rees Scully Mansukhani, LLP.

k. "Effective Date" means the date of the later of (a) if there are no objections submitted, entry by the Court of a final approval order and judgment finally certifying the Settlement Class and approving the settlement, or (b) if there are objections to the settlement, thirty-five (35) calendar days after the Court enters a final approval order and judgment approving the settlement, or (c) if any appeal, writ, or other appellate proceeding opposing the Court's final approval order approving the settlement has been filed, five (5) business days after any appeal, writ, or other appellate proceedings opposing the settlement have been finally and conclusively dismissed with no right to pursue further remedies or relief.

l. "Fee Award" means the award of attorneys' fees that the Court authorizes to be paid to Class Counsel for the services they rendered to named Plaintiff, the Settlement Class, and the Aggrieved Employees in the Actions. Class Counsel will not seek more than one-third of the Gross Settlement Amount as their Fee Award.

m. "Field-related Position(s)" means Asbestos/Contents Field Worker, Field Technician, Field Worker, Field Worker 1, Field Worker 2, Field Worker 3, Field Worker A, Foreman, Foreman 1 - IAQ, Forman 2, Foreman 3, Foreman 3 - IAQ, HVAC/Indoor Air Quality Helper, HVAC Assistant, HVAC Installer/Indoor Air Quality Technician, HVAC Service Technician Lead, HVAC Technician, Indoor Air Quality Worker, Technician – Fire Door, Technician – HVAC, Technician – IAQ, and Thermapure Technician, without prejudice to the inclusion of positions differently titled and performing work within the scope of the positions set forth in this section.

n. "Final" shall mean, with respect to a judgment or order, that the judgment or order is final and appealable and either (a) no appeal, motion, or petition to review or intervene has been taken with respect to the judgment or order as of the date on which all times to appeal, move, or petition to review or intervene therefrom have expired, or (b) if an appeal, motion or petition to intervene or other review proceeding of the judgment or order has been commenced, such appeal, motion or petition to intervene or other review is finally concluded and no longer is subject to review by any court, whether by appeal, petitions for rehearing or re-argument, petitions for rehearing *en banc*, petitions for writ of certiorari or otherwise, and such appeal or other review has been finally resolved in such manner that affirms the judgment or order in its entirety. Notwithstanding the foregoing, any proceeding, order, or appeal pertaining solely to the award of attorneys' fees, attorneys' costs, or any Service Award shall not by itself in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming "Effective."

o. "Final Approval" or "Final Approval Order" means the Court's Final Approval Order approving the Settlement and entering judgment.

p. "Final Approval Hearing" means the hearing to be held by the Court to consider the Final Approval of the Settlement.

q. "Gross Settlement Amount" means the non-reversionary total amount that Defendants shall pay in connection with this Settlement, including any interest earned on such funds, in exchange for the release of the Settlement Class Members' and Labor Commissioner's Released Claims. The Gross Settlement Amount is the gross sum of One Million Five Hundred

Thousand Dollars ($1,500,000.00), and any interest. The Gross Settlement Amount includes: (a) all Settlement Awards to Settlement Class Members; (b) PAGA Payment; (c) Service Award; (d) Attorneys' Fees and Costs to Class Counsel, (e) Settlement Administration Costs to the Settlement Administrator; and (f) both Defendants' employer's and Class Members' employee's portions of state and federal FICA and FUTA taxes on W2 allocations of Settlement Awards to Class Members. The Parties agree that Defendants will have no obligation to pay any amount in connection with this Settlement Agreement apart from the Gross Settlement Amount. There will be no reversion.

r. "Net PAGA Amount" means the Twenty-Five Percent (25%) of the amount of civil penalties under the PAGA, or Seven Thousand, Five Hundred dollars ($7,500).

s. "Net Settlement Amount" means the Gross Settlement Amount less: (i) Service Awards; (ii) Fee Award; (iii) Class Counsel's Costs; (iv) Settlement Administrator Costs; (v) the payment to Labor and Workforce Development Agency ("LWDA") for its share of PAGA penalties; (vi) the Net PAGA Amount; and (vii) Employer's FICA and FUTA taxes, which will be determined by the Settlement Administrator. Defendants will provide the class administrator with sufficient information to calculate Defendants' share of FICA and FUTA taxes prior to the filing of the motion for preliminary approval. The Parties acknowledge that all of these amounts are subject to the Court's approval.

t. "Notice Deadline" means the date sixty (60) days after the Settlement Notice is initially mailed to the Class. Class Members shall have until the Notice Deadline to object to, or opt-out of, the Settlement.

u. "PAGA Payment" means Thirty Thousand Dollars ($30,000) in civil penalties under the Private Attorneys' General Act ("PAGA").

v. "PAGA Period" means any time between March 21, 2021 and July 17, 2025 or the date of Preliminary Approval, whichever is earlier."Parties" means the parties to this Agreement: Plaintiff Matthew Townsend and Defendants Alliance Environmental Group, LLC, Alliance Team Heat, Inc., and OPM Services, LLC.

w. "Preliminary Approval" or "Preliminary Approval Order" means the Court's Preliminary Approval Order preliminarily approving the terms and conditions of this Agreement. To the extent referred to as a date, it refers to the date on which the Court enters an order granting Preliminary Approval.

x. "Qualified Settlement Fund" means a qualified settlement fund under Section 468B of the Internal Revenue Code established by the Settlement Administrator for the purpose of administering this Settlement.

y. "Releasees" or "Released Parties" means Defendants and all of their respective parent companies, subsidiaries, divisions, concepts, related or affiliated companies, and its or their respective shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims.

z. "Service Award" means the payment to Plaintiff for his efforts in bringing and prosecuting this matter. The Service Award will not exceed Twenty Thousand Dollars ($20,000.00).

aa. "Settlement Administrator" means Phoenix Settlement Administrators, the third-party class Actions settlement administrator that will handle the administration of this Settlement, subject to approval by the Court.

bb. "Settlement Administrator Costs" refer to the costs the Settlement Administrator will incur to distribute the Settlement Notice and Settlement Awards.

cc. "Settlement Award" means the payment that each Settlement Class Member and Aggrieved Employee shall be entitled to receive pursuant to the terms of this Agreement.

dd. The "Settlement Class" or "Settlement Class Members" means all Class Members, excluding any opt-outs.

ee. "Settlement Notice" means the Notice of Class Actions Settlement to the Settlement Class Members and Aggrieved Employee substantially in the form as Exhibit A attached hereto, or as approved by the Court.

RECITALS

3. Plaintiff Matthew Townsend provided written notice to the LWDA of his intent to pursue claims under California Private Attorneys General Act ("PAGA") § 2699 on March 17, 2022. On March 23, 2022, Plaintiff filed a class action entitled *Townsend v. Alliance Environment Group, LLC, et al.,* against Defendants in the Superior Court of California, County of Sacramento, Case Number 34-2022-00317279-CU-OE-GDS, asserting claims as a class pursuant to California labor laws (the "Class Action"). On May 25, 2022, Plaintiff filed a class action entitled *Townsend v. Alliance Environment Group, LLC, et al.,* against Defendants in the Superior Court of California, County of Sacramento, Case No. 34-2022-00320570-CU-OE-GDS, asserting claims under the PAGA arising from Defendants' violations of the Cal. Lab. Code. The cases were subsequently consolidated, with the Class Action as the lead case.

4. Defendants filed their Answer in the Class Action on May 16, 2022, and Defendants filed their Answer in the PAGA Action on August 31, 2022. Defendants deny all claims.

5. Through the Actions, Plaintiff alleges that Defendants violated the wage and hour laws of California by failing to pay Class Members and Aggrieved Employees earned wages and failing to provide legally compliant meal and rest periods. On this basis, Plaintiff brought claims against Defendants for unpaid minimum wages and overtime wages, failure to provide meal and rest periods, inaccurate wage statements, failure to pay final wages, unfair competition, and civil penalties under the PAGA.

6. On February 21, 2025, the Parties conducted a full day mediation session which was remotely held before renowned mediator Hunter Hughes. The mediation session was unsuccessful.

7. On April 16, 2025, the Parties conducted a second mediation session which was remotely held before mediator Hunter Hughes. Following this session, Hunter Hughes issued a mediator's proposal, which the Parties respectively accepted.

8. On June 6, 2025, the Parties executed a memorandum of understanding of the substantive terms of the settlement.

9. Class Counsel has made a thorough and independent investigation of the facts and law relating to the allegations in the Actions. In agreeing to this Settlement Agreement, Plaintiff has considered: (a) the facts developed during pre-mediation, informal discovery and the Parties' mediation process and the law applicable thereto; (b) the attendant risks of continued litigation and the uncertainty of the outcome of the claims alleged against Defendant; and (c) the desirability of consummating this Settlement according to the terms of this Settlement Agreement. Plaintiff has concluded that the terms of this Settlement are fair, reasonable and adequate, and that it is in the best interests of Plaintiff and the Settlement Class (as defined above) to settle their claims against Defendants pursuant to the terms set forth herein.

10. Defendants deny the allegations in the Actions and deny any and all liability, including any liability for alleged failure to pay overtime compensation or any alleged wage payment, wage and hour or similar violation. This Settlement Agreement shall not be construed as an admission by Defendants or any of the Releasees (as defined above) of any fault, liability or wrongdoing, which Defendants expressly deny.

11. The Parties recognize that notice to the Settlement Class of the material terms of this Settlement, as well as Court approval of this Settlement, are required to effectuate the Settlement, and that the Settlement will not become operative until the Court grants final approval of it, the Settlement becomes Final and the Settlement Effective Date occurs.

12. The Parties stipulate and agree that, for settlement purposes only, the requisites for establishing class certification pursuant to California Code of Civil Procedure § 382 are met. Should this Settlement not become Final, such stipulation to certification shall become null and void and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not class certification would be appropriate in a non-settlement context. Defendants deny that class action treatment is appropriate in the litigation context or for trial.

13. In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, IT IS HEREBY AGREED, by and between the undersigned, subject to the final approval of the Court and the other conditions set forth herein, that Plaintiff's, the Settlement Class's, and the Labor Commissioner's claims as described herein against Defendants shall be settled, compromised and dismissed, on the merits and with prejudice, and that the Plaintiff's, the Settlement Class's, and the Labor Commissioner's Released Claims shall be finally and fully compromised, settled and dismissed as to the Releasees, in the manner and upon the terms and conditions set forth below.

RELEASES

14. In exchange for the consideration set forth in this Settlement Agreement, Plaintiff and Settlement Class Members agree to release all claims as set forth herein as applicable.

15. **Settlement Class Members' Released Claims.** Upon Final Approval of the Settlement Agreement and payment of amounts set forth herein, and except as to such rights or claims as may be created by this Settlement Agreement, Plaintiff and all Settlement Class Members shall and hereby do release and discharge all Releasees, finally, forever and with prejudice, from the claims during the Class Period as follows:

> all claims, actions or causes of action against Defendants and other Releasees except for claims under the California Private Attorneys General Act, arising during the Class Period, under state, federal, or local law, that were asserted in the Actions or could have been asserted in the Actions based on the facts and theories alleged in any complaint on file in the Actions. This release is limited to claims arising from work in Field-related Positions within the Settlement Period.

16. **Releases of PAGA Claims.** Upon Final Approval of the Settlement Agreement and payment of amounts set forth herein, and except as to such rights or claims as may be created by this Settlement Agreement, Plaintiff, on behalf of himself and as proxy and agent for the Labor and Workforce Development Agency and all Aggrieved Employees (to the extent permitted by law), and on behalf of their current former, and future heirs, executors, administrators, attorneys, agents, and assigns hereby forever releases and discharges Defendants from claims for penalties under the California Private Attorneys' General Act (California Labor Code § 2698, *et seq.*) that (a) arise from the facts, matters, transactions or occurrences alleged in the Actions or that could have been alleged in the Actions based on such facts; and/or (b) arise from the facts, matters, transactions or occurrences alleged, or that could have been alleged based on such facts, in the PAGA Notice Letter sent by Class Counsel on behalf of Plaintiff to the Labor and Workforce Development Agency ("LWDA") pursuant to Labor Code § 2699.3 on or about March 17, 2022 asserting that Defendants violated various provisions of the Labor Code. Without limiting the foregoing, and in addition to the foregoing, the PAGA Claims include claims under the California Private Attorneys' General Act premised on the on the failure to pay minimum and overtime wages, failure to provide meal periods, failure to provide rest periods, failure to pay all wages earned and owed upon separation from Defendants' employ, failure to pay wages timely during employment and failure to provide accurate itemized wage statements; violations of California Labor Code §§ 201-204, 225.5, 1198; in connection with the allegations in the LWDA Notices and Operative Complaint; and related violations of the applicable California Wage Orders and California Code of Regulations, Title 8, sections 11000, *et seq.* The PAGA Claims excludes claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation claims, FEHA-related claims for retaliation, discrimination or harassment, and any claims outside of the PAGA Period. This release is limited to claims arising from work in Field-related Positions during the PAGA Period.

CERTIFICATION, NOTICE, AND SETTLEMENT IMPLEMENTATION

17. The Parties agree to the following procedures for obtaining Preliminary Approval of the Settlement, certifying the Class, and notifying the Class of this Settlement:

a. **Request for Class Certification and Preliminary Approval Order.** Plaintiff shall file an Unopposed Motion for Preliminary Approval of Settlement Agreement, requesting that the Court certify the Class pursuant to California Code of Civil Procedure § 382 for the sole purpose of settlement; preliminarily approve the Settlement Agreement and its terms; approve the proposed form of the Settlement Notice and find that the proposed method of disseminating the Settlement Notice meets the requirements of due process and is the best notice practicable under the circumstances; set a date for Plaintiff's motion for Final Approval of the Settlement, and approval of the requested Service Award, Fee Award, Class Counsel's Costs, and Settlement Administrator's Costs; and set a date for the Final Approval Hearing.

b. **Notice.** The Settlement Administrator shall be responsible for preparing, printing, mailing, and emailing the Settlement Notice to all Class Members. The Settlement Administrator will also create a website for the Settlement, which will allow Class Members to view the Class Notice (in generic form), this Settlement Agreement, and all papers filed by Class Counsel to obtain preliminary and final approval of the Settlement Agreement. Additionally, the Settlement website will provide contact information for Class Counsel and the Settlement Administrator. The Settlement Administrator will provide Class Counsel and Defendants' counsel with a preview of the proposed website. Class Counsel must approve the website before it goes live and also must approve any modifications to the website. The Settlement Administrator shall also create a toll-free call center to field telephone inquiries from Class Members during the notice and settlement administration periods. The Settlement Administrator will be directed to take the website and call center down after the 180-day check cashing period for Settlement Award Checks.

c. Within ten (10) business days after the Court's Preliminary Approval of the Settlement, Defendants shall provide to the Settlement Administrator the Class List, an electronic database containing the names, last known addresses, last known telephone numbers (if any), last known email addresses (if any), social security numbers or tax ID numbers of each Class Member and Aggrieved Employee, along with: (1) the total number of workweeks that each Class Member worked for Defendants in California during the Class Period (2) the total number of pay periods that each Aggrieved Employee worked for Defendants in California during the PAGA Period.

d. In order to provide the best notice practicable, prior to mailing the Settlement Notice, the Settlement Administrator will make reasonable efforts to identify current addresses via public and proprietary systems.

e. Within ten (10) business days after receiving the contact information for the Class Members and Aggrieved Employees, the Settlement Administrator shall mail and email (if email addresses are available) the agreed-upon and Court-approved Settlement Notice to Class Members and Aggrieved Employees. The Settlement Administrator shall provide notice to Class Counsel and Defendants' Counsel that the Settlement Notice has been mailed.

f. Any Settlement Notice returned to the Settlement Administrator with a forwarding address shall be re-mailed within three (3) business days following receipt of the returned mail. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and shall re-mail the Notice of Settlement, in which case, the Notice Deadline for the remailed notice shall be extended to 60 days from the date of remailing for that Class Member.

g. Within ten (10) business days after the Notice Deadline, the Settlement Administrator shall provide Defendants' Counsel and Class Counsel, respectively, a report showing: (i) the names of Class Members and Aggrieved Employees; (ii) the Settlement Awards owed to each Class Member and Aggrieved Employee; (iii) the final number of Class Members who have submitted objections or valid letters requesting exclusion from the Settlement; (iv) the number of undeliverable Notices of Settlement; and (v) a copy of all documents submitted with any Objections. Upon completion of administration of the Settlement, the Settlement Administrator shall provide written certification of such completion to counsel for all Parties and the Court. This written certification shall include the total number of Settlement Class Members and Aggrieved Employees, the average recovery per Class Member who does not request exclusion, the median recovery per Class Member who does not request exclusion, the largest and smallest amounts paid to Class Members who do not request exclusion, and the number and value of checks not cashed.

h. Defendants will not take any adverse Actions against any current or former employee on the grounds that he/she is eligible to participate and/or does participate in the Settlement. Defendants will not discourage participation in this Settlement Agreement or encourage objections or opt-outs.

i. Within ten (10) business days after the conclusion of the 180-day check cashing period below, the Settlement Administrator shall provide Defendants' Counsel and Class Counsel, respectively, a report regarding the total amount of any funds that remain from checks that are returned as undeliverable or are not negotiated.

18. **Disputes Regarding Workweeks**. To the extent that any Class Member or Aggrieved Employee disputes the number of workweeks that the Class Member worked, as shown in his or her Settlement Notice, such Class Members may produce evidence to the Settlement Administrator establishing the dates they contend to have worked for Defendant. The deadline for Class Members to submit disputes pursuant to this paragraph is the Notice Deadline (disputes must be postmarked by the Notice Deadline). Unless the Class Member presents convincing evidence proving he or she worked more workweeks than shown by Defendants' records, his/her Settlement Award will be determined based on Defendants' records. The Settlement Administrator shall notify counsel for the Parties of any disputes it receives. Defendants shall review their records and provide further information to the Settlement Administrator, as necessary. The Settlement Administrator shall provide a recommendation to counsel for the Parties. Counsel for the Parties shall then meet and confer in an effort to resolve the dispute. If the dispute cannot be resolved by the Parties, it shall be presented to the Court for a resolution. The Settlement Administrator will notify the disputing Class Member of the decision.

19. **Objections.** The Settlement Notice shall provide that Class Members who wish to object to the Settlement must, on or before the Notice Deadline, must mail to the Settlement Administrator a written statement objecting to the Settlement. Such objection shall not be valid unless it includes the information specified in the Settlement Notice. The statement must be signed personally by the objector, and must include the objector's name, address, telephone number, email address (if applicable), the factual and legal grounds for the objection, and whether the objector intends to appear at the Final Approval Hearing. The Settlement Notice shall advise Class Members that objections shall only be considered if the Class Member has not opted out of the Settlement. The postmark date of mailing to Class Counsel and Defendants' Counsel shall be the exclusive means for determining that an objection is timely mailed to counsel. If postmark dates

differ, the later of the two postmark dates will control. None of the Parties, their counsel, nor any person on their behalf, shall seek to solicit or otherwise encourage anyone to object to the settlement, or appeal from any order of the Court that is consistent with the terms of this Settlement.

20. **Requests for Exclusion.** The Settlement Notice shall provide that Class Members, other than Plaintiff, who wish to exclude themselves from the Settlement ("opt out") must mail to the Settlement Administrator a written statement indicating that they do not wish to participate or be bound by the Settlement. The written request for exclusion must contain the Class Member's full name, address, telephone number, email address (if applicable), and last four digits of their social security number, and must be signed individually by the Class Member. No opt-out request may be made on behalf of a group. Such written statement must be postmarked by the Notice Deadline. None of the Parties, their counsel, nor any person on their behalf, shall seek to solicit or otherwise encourage anyone to exclude themselves from the settlement.

21. **Cure Period.** In the event any request for exclusion is timely submitted but does not contain sufficient information to be valid, the Settlement Administrator shall provide the Class Member, within seven (7) calendar days, a letter requesting the information that was not provided and giving the Class Member fourteen (14) days from the mailing of such cure letter to respond. Any invalid submission that is not timely cured will be considered a nullity.

22. **Final Approval Hearing.** Class Counsel will be responsible for drafting the Unopposed Motion for Final Approval of Settlement Agreement, and approval of the requested Service Awards, Fee Award, Class Counsel's Costs, and Settlement Administrator's Costs to be heard at the Final Approval Hearing. Plaintiff shall request that the Court schedule the Final Approval Hearing no earlier than thirty (30) days after the Notice Deadline to determine final approval of the settlement and to enter a Final Approval Order:

a. certifying the Class as a class action California Code of Civil Procedure § 382 for purposes of settlement only;

b. finding dissemination of the Settlement Notice was accomplished as directed and met the requirements of due process;

c. approving the Settlement as final and its terms as a fair, reasonable and adequate;

d. approving the payment of the Service Award to Plaintiff;

e. approving Class Counsel's application for an award of attorneys' fees and reimbursement of out-of-pocket litigation costs and expenses;

f. directing that the Settlement funds be distributed in accordance with the terms of this Settlement Agreement;

g. directing that *Townsend v. Alliance Environmental Group, LLC, et al.,* Case Number 34-2022-00317279-CU-OE-GDS be dismissed finally, fully, forever and with prejudice and in full and final discharge of any and all Settlement Class Members' Released Claims;

h. directing that *Townsend v. Alliance Environmental Group, LLC, et al.*, Case No. 34-2022-00320570-CU-OE-GDS be dismissed finally, fully, forever and with prejudice and in full and final discharge of any and all Aggrieved Employees' Released PAGA Claims; and

i. retaining continuing jurisdiction over the Actions for purposes only of overseeing all settlement administration matters.

23. **Post Judgment Report.** At the conclusion of the 180-day check cashing period for the Third Disbursement set forth below in Section 24.c.iii, and following receipt of the Settlement Administrator's report showing the total funds that were actually paid to Settlement Class Members, Class Counsel shall submit a post-judgment report to the Court of regarding any funds that remain from checks that are returned as undeliverable or are not negotiated.

SETTLEMENT FUNDS AND AWARD CALCULATION

24. **Gross Settlement Amount.**

a. **Funding of Settlement.** The Gross Settlement Amount shall be paid by Defendants into the Settlement Administrator's interest-bearing Qualified Settlement Fund in seventeen (17) installments:

i. The "**First Installment**" of One Hundred Thousand ($100,000) shall be paid within thirty (30) days of Final Approval.

ii. **Subsequent Installments**. After the First Installment, the unpaid balance of the Gross Settlement Fund (less any amounts that are required to be paid by Defendants to the claims administrator prior to Final Approval for its services) shall be paid in equal quarterly payments over the next sixteen (16) quarters beginning the first quarter after the payment of the First Installment.

iii. Only the Settlement Administrator shall have access to the Qualified Settlement Fund. Defendants shall not have access to the Gross Settlement Amount, or to any earned interest, once those funds are deposited into the interest-bearing Qualified Settlement Fund. The Gross Settlement Amount is fully non-reversionary.

iv. **Annual Check-ins Re Financial Status**. On an annual basis for each of the first three 12-month periods during which quarterly payments are to be made pursuant to the terms of the settlement, (i.e. annually for 3 years) will, upon request of Class Counsel, provide Class Counsel on a confidential basis Defendants' then most current financial statements, audit, and their prior year tax return. Upon the request of Class Counsel, the parties will meet and confer as to whether the settlement payment terms continue to reflect Defendants' ability to pay the unpaid balance of the Gross Settlement Amount. Defendants will have no obligation to amend the payment terms based on any change in their financial condition.

b. **Escalator Clause.** Defendants estimate that the number of Class Members through the end of the Class Period is approximately 604 and that the number of Aggrieved Employees through July 17, 2025 is approximately 241. Defendants estimate that Class Members worked approximately 48,274 workweeks in California during the Class Period. Plaintiff is entering into this Settlement Agreement based on such representations. In the event it is determined that the actual number of Class Members exceeds 604or the actual number of workweeks exceeds 48,274 by more than fifteen percent (15%) during the Class Period, Defendants will have the option of either: (a) increasing the Gross Settlement Amount proportionally; or (b) shortening the release period so that there is no increase in the amount.

c. **Disbursement by Settlement Administrator.** All disbursements shall be made from the Qualified Settlement Fund after the Effective Date. The Settlement Administrator shall be the only entity authorized to make withdrawals or payments from the Qualified Settlement Fund. A total of three (3) disbursements shall be made, as follows:

i. The "First Disbursement" shall comprise the $100,000 Initial Installment. The First Disbursement shall be disbursed within 30 days of the Effective Date.

ii. The "Second Disbursement" shall comprise all funds in the Qualified Settlement Fund after the eighth (8^{th}) quarterly Installment Payment (estimated to be approximately at least $700,000). The Second Disbursement shall be disbursed within fifteen (15) business days after the scheduled Eighth quarterly Installment.

iii. The "Third Disbursement" shall comprise all funds in the Qualified Settlement Fund after the sixteenth (16^{th}) quarterly Installment Payment (estimated to be approximately $700,000). The Third Disbursement shall be disbursed within fifteen (15) business days after the scheduled sixteenth Installment.

25. **Payments.** Subject to the Court's Final Approval Order, the following amounts shall be paid by the Settlement Administrator from the Gross Settlement Amount:

a. **Service Award to Plaintiff.** Subject to the Court's approval, Plaintiff Matthew Townsend shall receive a service award of up to Twenty Thousand Dollars ($20,000.00), which Defendants shall not oppose, for Plaintiff's efforts in bringing and prosecuting this matter. The Qualified Settlement Fund shall issue an IRS Form 1099 for this payment. This payment shall be made with the First Disbursement, pursuant to Section 24.c.i. If the Court approves a Service Award in an amount less than what Plaintiff requests, the reduction in the Service Award shall not be a basis for nullification of this Settlement. Nor shall a reduction in the Service Award in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming Effective.

b. **Fee Awards and Costs.**

i. Subject to the Court's approval, Class Counsel shall receive a Fee Award in an amount up to one third (1/3) of the Gross Settlement Amount, or Five Hundred Thousand Dollars ($500,000), which Defendants shall not oppose, to compensate Class Counsel for all work performed in the Actions as of the date of this Settlement Agreement as well as all of the work remaining to be performed, including but not limited to documenting the Settlement, securing Court approval of the Settlement, making sure that the Settlement is fairly administered and implemented, and obtaining final dismissal of the Actions. This payment of attorneys' fees shall be made as follows: fifty percent (50%) of the court-approved Fee Award shall be paid to Class

Counsel with the Second Disbursement, pursuant to Section 24.c.ii; and the remaining fifty percent (50%) of the court-approved Fee Award shall be paid to Class Counsel with the Third Disbursement, pursuant to Section 24.c.iii.

ii. Subject to the Court's approval, Class Counsel shall also receive reimbursement of Class Counsels' Actual Costs incurred through the date of Preliminary Approval, which Defendants shall not oppose. This payment of attorneys' costs shall be made with the First Disbursement, pursuant to Section 24.c.i.

iii. An IRS Form 1099 shall be provided to Class Counsel for the payments made to Class Counsel.

c. **Labor and Workforce Development Agency Payment.** Subject to Court approval, the Parties agree that the PAGA Payment in the amount of Thirty Thousand Dollars ($30,000.00) from the Gross Settlement Amount will be paid in settlement of the released PAGA claims. Pursuant to the version of PAGA in effect at the time the Actions were filed, Seventy-Five Percent (75%), or Twenty-Two Thousand Five Hundred Dollars ($22,500.00), of this sum will be paid to the Labor and Workforce Development Agency ("LWDA") and Twenty-Five Percent (25%), or Seven Thousand Five Hundred Dollars ($7,500.00), will be allocated to the Net PAGA Amount. The payment to the LWDA and the Net PAGA Amount shall be made with the Third Disbursement, pursuant to Section 24.c.ii.

d. **Settlement Administration Costs.** Settlement Administration costs shall be paid from the Gross Settlement Amount. This payment of Settlement Administration costs shall be paid to the Settlement Administrator split evenly between the Second and Third Disbursement pursuant to Section 24.c.i-iii. The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize the costs incurred in the administration of the Settlement.

e. **Settlement Awards to Settlement Class Members.** Settlement Awards shall be made to Settlement Class Members as set forth below. These payments shall be made to Settlement Class Members as follows: the remaining funds in the Qualified Settlement Fund following distributions pursuant to Sections 25 and 26 shall be paid to Settlement Class Members with the Second Disbursement, pursuant to Section 24.c.ii; the remaining funds in the Qualified Settlement Fund following distributions pursuant to Sections 25 and 26 shall be paid to Settlement Class Members with the Third Disbursement, pursuant to Section 24.c.iii.

i. Any Settlement Award check that is returned to the Settlement Administrator with a forwarding address shall be re-mailed within three (3) business days following receipt of the returned mail.

ii. For only Settlement Award checks from the Third Distribution that remain undeliverable, the Settlement Administrator shall promptly attempt to determine a correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and shall re-mail the Settlement Award check.

26. **No Claim Based Upon Distributions or Payments in Accordance with this Settlement Agreement.** No person shall have any claim against Plaintiff, Defendant, Class

Counsel, or Defendants' Counsel based on distributions or payments made in accordance with this Settlement Agreement.

CALCULATION AND DISTRIBUTION OF SETTLEMENT AWARDS

27. **Settlement Award Eligibility.** All Settlement Class Members shall be paid a Settlement Award from the Net Settlement Amount.

28. Any Class Member who fails to submit a timely request to exclude themselves from the Settlement by following the procedure set forth in the Settlement Notice shall automatically be deemed a Settlement Class Member whose rights and claims with respect to the issues raised in the Actions are determined by any order the Court enters granting final approval, and any judgment the Court ultimately enters in the Actions. Any such Settlement Class Member's rights to pursue any of Class Members' Released Claims (as defined in this Settlement Agreement) will be extinguished.

29. **Settlement Award Calculations.** The Settlement Administrator shall be responsible for determining the amount of the Settlement Award to be paid to each Settlement Class Member and Aggrieved Employee based on the below formulas:

a. Settlement Class Members shall receive a *pro rata* portion of the Net Settlement Amount as follows:

i. When calculating the individual Settlement Awards to Settlement Class Members following Final Approval (for purposes of preparing Individual Settlement Payment checks), the Settlement Administrator will not include Class Members who validly request exclusion from the Settlement.

ii. For each week during which the Participating Individual worked for either Defendants at any time during the Class Period, he or she shall be eligible to receive a *pro rata* portion of the Net Settlement Amount based on the number of workweeks the Settlement Class Member worked in the State of California during the Class Period. Each workweek will be equal to one (1) settlement share.

iii. The total number of settlement shares for all Settlement Class Members will be added together and the resulting sum will be divided into the Net Settlement Amount to reach a per share dollar figure. That figure will then be multiplied by each Participating Individual's number of settlement shares to determine the Settlement Class Member's *pro rata* portion of the Net Settlement Amount.

b. Aggrieved Employees shall receive a *pro rata* portion of the Net PAGA Amount. Class Members who validly request exclusion from the Settlement will still receive a *pro rata* portion of the Net PAGA Amount. These payments shall be made as follows:

i. For any Aggrieved Employee who worked for Defendants during the PAGA Period, he or she shall be eligible to receive a *pro rata* portion of the Net PAGA Amount based on the number of pay periods the Aggrieved Employee worked for Defendants in California during the PAGA Period. Each pay period will be equal to one (1) settlement share. The total number of settlement shares for all Aggrieved Employees will be added together and the resulting sum will be divided into the Net PAGA Amount to reach a per share dollar figure. That figure will then be multiplied by each Aggrieved Employee's number of settlement shares to determine the Aggrieved Employee's *pro rata* portion of the Net PAGA Amount.

ii. For Settlement Class Members who are also Aggrieved Employees, the Settlement Class Member's *pro rata* portion of the Net PAGA Amount, if any, will be added to the Settlement Class Member's share of the Net Settlement Amount, to determine the Settlement Class Member's Settlement Award. For Aggrieved Employees who are not Settlement Class Members, the pro rata portion of the Net PAGA Amount will constitute their individual Settlement Award.

30. In addition to other information contained on the Settlement Notice, the Settlement Notice shall state the estimated minimum payment the Class Member is expected to receive assuming full participation of all Settlement Class Members.

31. All Settlement Award determinations shall be based on Defendants' timekeeping, payroll, and/or other records. If the Parties determine, based upon further review of available data, that a person previously identified as being a Settlement Class Member is not a Settlement Class Member, or an individual who was not previously identified as a Settlement Class Member is in fact a Settlement Class Member but was not so included, the Settlement Administrator shall promptly make such addition or deletion as appropriate.

32. **Settlement Award Allocations.** Any portion of each Settlement Award that is provided from the Net PAGA Amount shall be allocated as penalties. For the remainder of each Settlement Award, twenty-five percent (25%) of each Settlement Award shall be allocated as wages, seventy-five percent (75%) of each Settlement Award shall be allocated as interest and penalties. Settlement Awards will be paid out to Settlement Class Members subject to reduction for all employee's share of withholdings and taxes associated with the wage-portion of the Settlement Awards, for which Settlement Class Members shall be issued an IRS Form W-2. Settlement Class Members will also be issued an IRS Form 1099 for the portions of the Settlement Awards that are allocated to penalties and interest. The Settlement Administrator shall calculate the employer share of taxes and provide the Parties with the total employer tax contributions within the time limits prescribed by Section 24.c. Amounts withheld will be remitted by the Settlement Administrator from the Qualified Settlement Fund to the appropriate governmental authorities. Defendants shall cooperate with the Settlement Administrator to provide payroll tax information as necessary to accomplish the income and employment tax withholding on the wage portion of each Settlement Award, and the Form 1099 reporting for the non-wage portion of each Settlement Award.

33. Class Counsel and Defendants' Counsel do not intend this Settlement Agreement to constitute legal advice relating to the tax liability of any Class Member or Aggrieved Employee. To the extent that this Settlement Agreement, or any of its attachments, is interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

34. The Settlement Administrator shall provide Class Counsel and Defendants' Counsel with a final report of all Settlement Awards, at least ten (10) business days before the

First, Second, and Third Distributions wherein Settlement Awards to Settlement Class Members are mailed pursuant to Section 26.e.

35. The Settlement Administrator shall mail all Settlement Awards to Settlement Class Members pursuant to Section 26.e. The Settlement Administrator shall then provide written certification of mailing to Class Counsel and Defendants' Counsel following the First, Second, and Third Distributions wherein Settlement Awards to Settlement Class Members are mailed pursuant to Section 26.e.

36. All Settlement Award checks shall remain valid and negotiable for one hundred eighty (180) days from the date of their issuance and may thereafter automatically be canceled if not cashed within that time, at which time the right to recover any Settlement Award will be deemed void and of no further force and effect.

a. With one-hundred fifty (150) days remaining for the 180-day check cashing deadline for Settlement Award checks issued during the Third Disbursement pursuant to Section 24.c.iii, a reminder letter will be sent via U.S. mail and email to those who have not yet cashed their settlement check. At the conclusion of the 180-day check cashing deadline for Settlement Award checks issued during the Third Disbursement pursuant to Section 24.c.iii, Settlement Class Members who have not cashed their Settlement Award checks shall nevertheless be deemed to have finally and forever released Settlement Class Members' Released Claims, as applicable.

37. **Remaining Monies.** If at the conclusion of the 180-day check cashing periods set forth above, any funds remain from checks that are returned as undeliverable or are not negotiated, those monies shall be distributed as follows, subject to the Court's approval:

a. Funds represented by Settlement Award checks from the Second Distribution that are returned as undeliverable and Settlement Award checks from the Second Distribution that are remaining uncashed for more than one hundred eighty (180) days after issuances shall be redistributed to the respective Settlement Class Member at the time of the subsequent Third Disbursement, pursuant to Section 24.c.iii. Thus, Settlement Class Members who fail to cash their Settlement Award checks from the Second Distribution will have the uncashed amount added to their Settlement Award checks from the Third Distribution.

b. Funds represented by Settlement Award checks from the Third Distribution that are returned as undeliverable and Settlement Award checks remaining uncashed for more than one hundred eighty (180) days after issuances will be tendered to the State of California Controller's Office, Unclaimed Property Fund, in the name of the Settlement Class Member until such time as he or she claims his or her property, as allowed by law.

c. Within twenty-one (21) days after the Third Distribution, Plaintiff will file a Post-Distribution Accounting. The Post-Distribution Accounting will set forth the total settlement fund, the total number of Settlement Class Members, the total number of Settlement Class Members to whom notice was sent and not returned as undeliverable, the number and percentage of opt-outs, the number and percentage of objections, the average and median recovery per claimant, the largest and smallest amounts paid to class members, the method(s) of notice and the method(s) of payment to class members, the number and value of checks not cashed, the amounts distributed to the California State Controller Unclaimed Property Fund (if applicable), the administrative costs, the attorneys' fees and costs, the attorneys' fees in terms of percentage of the settlement fund, and the multiplier, if any.

MISCELLANEOUS

38. **Submissions to the LWDA.** At the same time as they submit this Class Actions Settlement Agreement to the Court for Preliminary Approval, Class Counsel shall submit a copy of this Agreement to the LWDA, as required by California Labor Code § 2699(*l*)(2). Within ten (10) days following the Effective Date, Class Counsel shall submit a copy of the Final Approval Order and Judgment entered by the Court to the LWDA, as required by California Labor Code § 2699(*l*)(3).

39. **No Admission of Liability.** This Settlement Agreement and all related documents are not and shall not be construed as an admission by Defendants or any of the Releasees of any fault or liability or wrongdoing.

40. **Defendants' Legal Fees.** Defendants' legal fees and expenses in the Actions shall be borne by Defendants.

41. **Nullification of the Settlement Agreement.** The Parties agree to cooperate fully with each other to accomplish the terms of the Settlement, to use their best efforts to finalize the Settlement, and to use all other efforts that may become necessary by order of the Court, or otherwise, to effectuate the Settlement. In the event: (a) the Court does not preliminarily or finally approve the Settlement as provided herein; or (b) the Settlement does not become Final for any other reason; or (c) the Effective Date does not occur, the Parties agree to engage in follow up negotiations with the intent of resolving the Court's concerns that precluded approval, and if feasible, to resubmit the settlement for approval within thirty (30) days. If the Settlement is not approved as resubmitted or if the Parties are not able to reach another agreement, then either Party may void this Agreement; at that point, the Parties agree that each shall return to their respective positions on the day before this Agreement and that this Agreement shall not be used in evidence or argument in any other aspect of their litigation.

42. **Inadmissibility of Settlement Agreement.** Except for purposes of settling this Actions, or enforcing its terms (including that claims were settled and released), resolving an alleged breach, or for resolution of other tax or legal issues arising from a payment under this Settlement Agreement, neither this Agreement, nor its terms, nor any document, statement, proceeding or conduct related to this Agreement, nor any reports or accounts thereof, shall be construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to the Parties, including, without limitation, evidence of a presumption, concession, indication or admission by any of the Parties of any liability, fault, wrongdoing, omission, concession or damage.

43. **Computation of Time.** For purposes of this Agreement, if the prescribed time period in which to complete any required or permitted Actions expires on a Saturday, Sunday, or legal holiday (as defined by California Code of Civil Procedure §§ 12, 12a), such time period shall be continued to the following business day. The term "days" shall mean calendar days unless otherwise noted.

44. **Interim Stay of Proceedings.** The Parties agree to toll and hold in abeyance all proceedings in the Actions, including but not limited to any deadline to compel discovery, except such proceedings necessary to implement and complete the Settlement, and to toll the 5-year rule, through the Effective Date. Further, without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of time to carry out any of the provisions of the Settlement.

45. **Amendment or Modification.** This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors in interest. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

46. **Entire Settlement Agreement.** This Agreement with exhibits constitutes the entire Agreement among the Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement other than the representations, warranties, and covenants contained and memorialized in such documents. All prior or contemporaneous negotiations, memoranda, agreements, understandings, and representations, whether written or oral, are expressly superseded hereby and are of no further force and effect. Each of the Parties acknowledges that they have not relied on any promise, representation or warranty, express or implied, not contained in this Agreement. No rights hereunder may be waived except in writing.

47. **Authorization to Enter into Settlement Agreement.** The Parties warrant and represent that they are authorized to enter into this Agreement and to take all appropriate Actions 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. The Parties and their counsel shall cooperate with each other and use their best efforts to effect the implementation of the Agreement. In the event that the Parties are unable to reach resolution on the form or content of any document needed to implement this Agreement, or on any supplemental provisions or Actions that may become necessary to effectuate the terms of this Agreement, the Parties shall seek the assistance of the mediator, Hunter Hughes, or another mutually agreeable mediator, to resolve such disagreement.

48. **Binding on Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of Plaintiff, Defendants, the Settlement Class Members and their heirs, beneficiaries, executors, administrators, successors, transferees, successors, assigns, or any corporation or any entity with which any party may merge, consolidate or reorganize. The Parties hereto represent, covenant and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity any portion of any liability, claim, demand, Actions, cause of Actions or rights herein released and discharged except as set forth herein.

49. **Counterparts.** This Agreement may be executed in one or more counterparts, including by facsimile or email. All executed counterparts and each of them shall be deemed to be one and the same instrument. All executed copies of this Agreement, and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

50. **No Signature Required by Settlement Class Members.** Only the Plaintiff will be required to execute this Settlement Agreement. The Settlement Notice will advise all Settlement

Class Members of the binding nature of the release and such shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

51. **Cooperation and Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement; hence the drafting of this Agreement shall not be construed against any of the Parties. The Parties agree that the terms and conditions of this Agreement were negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery and after consultation with experienced legal counsel.

52. **Governing Law.** All terms of this Settlement Agreement and the exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

53. **Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement and all orders and judgments entered in connection therewith, and the Parties and their Counsel submit to the jurisdiction of the Court for this purpose.

IN WITNESS WHEREOF, the Parties and their Counsel have executed this Settlement Agreement as follows:

PLAINTIFF: ______________________ Date: 09 / 07 / 2025
Matthew Townsend

DEFENDANT: DocuSigned by: Jeff McLean 94B53C370B3C4B5... Date: September 9, 2025,
On behalf of Alliance Environmental Group, LLC

DEFENDANT: DocuSigned by: Jeff McLean 94B53C370B3C4B5... Date: September 9, 2025,
On behalf of Alliance Team Heat, Inc.

DEFENDANT: DocuSigned by: Jeff McLean 94B53C370B3C4B5... Date: September 9, 2025,
On behalf of OPM Services, LLC

APPROVED AS TO FORM BY COUNSEL:

______________________ Date: September 8, 2025
Carolyn Hunt Cottrell
Ori Edelstein
Danielle A. Fuschetti
SCHNEIDER WALLACE COTTRELL KIM LLP

______________________ Date: September 9, 2025
Natalie B. Fujikawa
GORDON REES SCULLY MANSUKHANI, LLP

EXHIBIT A

NOTICE OF SETTLEMENT
PLEASE READ THIS NOTICE CAREFULLY

Townsend, Matthew v. Alliance Environmental Group, LLC, et al.
Superior Court of California, County of Sacramento
Case No. 34-2022-00317279-CU-OE-GDS (Class Action)
Case No. 34-2022-00320570-CU-OE-GDS (PAGA)

You could get a payment from this Class Action Settlement if you worked for Alliance Environmental Group, LLC, Alliance Team Heat, Inc., or OPM Services, LLC, in California in a Field-related Position at any time during the period from September 27, 2021 through July 17, 2025.

The Superior Court of California authorized this notice. This is not a solicitation from a lawyer. This is not a lawsuit against you, and you are not being sued. However, your legal rights are affected whether you act or do not act.

You are receiving this Notice of Settlement ("Notice") because the records of Alliance Environmental Group, LLC, Alliance Team Heat, Inc., and OPM Services, LLC (collectively "Alliance Defendants") show you performed work for Alliance Defendants in California as a class member sometime between September 27, 2017 and July 17, 2025 in Field-related Position(s), and either did not sign an arbitration agreement or your arbitration agreement was found to be unenforceable. The records indicate you are a potential class member and **you may be entitled to receive money from a Settlement[1] in this case, as described below**.

1. Why Should You Read This Notice?

This Notice explains your right to share in the monetary proceeds of this Settlement, exclude yourself ("opt out") from the Settlement, or object to the Settlement. You may only object to the Settlement if you have not opted out of the Settlement.

The Superior Court of California, County of Sacramento, has preliminarily approved the Settlement. The Court will hold a Final Approval Hearing on __________, 2025, at _______, before the Honorable Jill H. Talley at 720 9th Street, Sacramento, California 95814, in Department 23. If Settlement Class Members desire to appear remotely at the Final Approval Hearing, they can join via the Department's zoom link or phone number: https://saccourt-ca-gov.zoomgov.com/my/sscdept23. Or to join by phone: (833) 568-8864 / ID: 16108301121.

2. What Is This Case About?

This lawsuit alleges that individuals whom Alliance Defendants employed as hourly non-exempt employees between September 27, 2017 through July 17, 2025 were not compensated for all hours

[1] This Notice summarizes the proposed Settlement. The capitalized terms in this Notice have defined meanings that are set out in detail in the Settlement Agreement. To review a copy of the Settlement Agreement, please visit the Settlement website at [INSERT URL].

worked, including at the minimum wage and overtime rates, were not provided compliant meal and rest breaks, were not provided all wages during employment and at separation from employment, and were not provided timely and compliant itemized wage statements. This lawsuit also seeks recovery of unpaid wages, statutory damages, civil penalties under the California Labor Code Private Attorneys General Act ("PAGA"), restitution, interest, and attorneys' fees and costs. The claims in this lawsuit are brought under California law, for all non-exempt current and former employees who worked for any Alliance Defendants in California in Field-related Positions from March 21, 2017 through July 17, 2025. The Court has not ruled on the merits of Plaintiff's claims or Alliance Defendants' defenses.

The Settlement Administrator has created a Settlement website, which can be accessed at [INSERT URL]. The Settlement website allows interested persons to view the Settlement Agreement, all papers filed by Class Counsel to obtain Court approval of the Settlement Agreement, and this Notice (in generic form). The Settlement website also provides contact information for Class Counsel and the Settlement Administrator.

3. How Will the Settlement Payment Be Distributed?

The Gross Settlement Amount ("GSA") is $1,500,000.00, which will be paid by the Alliance Defendants in 17 installment payments starting on [30 DAYS OF FINAL APPROVAL] and ending on [16 QUARTERS FOLLOWING FIRST PAYMENT].

The GSA will mostly be distributed to the current and former employees who meet the definitions for participating in the Settlement, but it will also be used to pay for attorneys' fees and costs awarded by the Court, any enhancement payment to Plaintiff that may be awarded by the Court, all Settlement Administrator's costs, and a payment to the California Labor and Workforce Development Agency ("LWDA") that is required under PAGA. Alliance Defendants will provide the Settlement Administrator with a list of to the current and former employees who meet the definitions for participating in the Settlement no later than [INSERT DATE: 20 DAYS AFTER PRELIMINARY APPROVAL].

The Settlement Administrator's costs are estimated to be no more than $XX,XXX, and this amount will be paid from the GSA.

Plaintiff Matthew Townsend will ask the Court to award $20,000 to him for his services to the Settlement Class, paid from the GSA.

The attorneys for Plaintiff and the Settlement Class Members (referred to as "Class Counsel") will ask the Court to award them up to one-third of the GSA, which is $500,000.00, to compensate them for their services in this matter. Class Counsel will also request reimbursement for their attorneys' costs, in an amount to be approved by the Court, from the GSA. Class Counsel will file a motion with the Court setting forth the bases for their requested costs and fees.

The payment to the LWDA and Aggrieved Employees in connection with the PAGA component of the Settlement will be $30,000.00 ("PAGA Payment"), and this payment will be paid from the GSA. Applicable California law requires that 75% of the PAGA Payment ($22,500) be paid to the

LWDA and 25% of the PAGA Payment ($7,500) be paid to Aggrieved Employees ("Net PAGA Amount").

After deductions of these amounts, what remains of the GSA (the total of the "Net Settlement Amount" and "Net PAGA Amount") will be available to pay monetary Settlement Awards and PAGA Awards to Plaintiff, Aggrieved Employees, and all Class Members who do not opt out of the Settlement Class (collectively, "Settlement Class Members").

The above payments will be made over three separate disbursements as follows:

- The "First Disbursement" shall of the $100,000 Initial Installment will occur within 30 days of the Effective Date. The First Disbursement will be used to pay out Plaintiff's Service Award and Class Counsel's Costs.
- The "Second Disbursement" shall occur within 15 days after the eighth (8th) quarterly Installment Payment and is (estimated to be approximately $700,000). The Second Disbursement will be used to pay half of Class Counsel's Attorneys' Fees, half of the Settlement Administration Costs, and the remainder will be disbursed as a portion of the Settlement Awards to Settlement Class Members.
- The "Third Disbursement" shall occur within 15 days after the sixteenth (16th) quarterly Installment Payment (estimated to be approximately $700,000). The Third Disbursement will be used to pay half of Class Counsel's Attorneys' Fees, half of the Settlement Administration Costs, the PAGA Payment, and the remainder will be disbursed as a portion of the Settlement Awards to Settlement Class Members.

4. How Much Can I Expect to Receive?

According to records maintained by Alliance Defendants, your total estimated settlement payment will be $[Class + PAGA], which includes $[Class] for the Settlement Award and $[PAGA] for the PAGA Award, subject to any mandatory withholding or deductions. This amount is an estimated amount, and your final settlement payment is expected to differ from this amount (*i.e.*, it could be more or less) and will be calculated as set forth below. All Settlement Award determinations will be based on Alliance Defendants' records. Based on Alliance Defendants' records, you are estimated to have worked _____ workweeks as a Class Member and _____ pay periods as an Aggrieved Employee for Alliance Defendants during the relevant periods in the State of California.

You do not need to do anything to be sent your settlement payment. If you participate in the Settlement, you will receive a check for the Settlement Award in addition to a check for the PAGA Award. Each Settlement Class Member will have 180 days to cash each check received.

If there are any uncashed checks at the conclusion of the 180-day check void period, those monies will be tendered to the State of California Controller's Office, Unclaimed Property Fund, in the name of the Settlement Class Member for whom the check was intended until such time as he or she may claim his or her property.

If you dispute the number of workweeks as shown on this Notice of Settlement, you may produce evidence to the Settlement Administrator establishing the dates you contend to have worked for

Alliance Defendants. To do so, send a letter to the Settlement Administrator explaining the basis for your dispute and attach copies of the supporting evidence. Unless you present convincing evidence proving you worked more workweeks than shown by Alliance Defendants' records, your Settlement Award will be determined based on Alliance Defendants' records. Any disputes must be postmarked by [INSERT NOTICE DEADLINE (60 DAYS AFTER NOTICE IS MAILED)] and should be mailed to [INSERT SETTLEMENT ADMINISTRATOR ADDRESS]. The Settlement Administrator will notify you of the decision on the dispute.

Payments to Settlement Class Members will be calculated on the number of eligible workweeks. Each Settlement Class Member will be eligible to receive a *pro rata* share of the Net Settlement Amount based on the total number of eligible workweeks that the Settlement Class Member worked for Alliance Defendants between September 27, 2017, through July 17, 2025.

Additionally, Aggrieved Employees who worked for Alliance Defendants in California any time between March 21, 2021, through July 17, 2025 (the "PAGA Period") shall be eligible to receive a *pro rata* portion of the Net PAGA Amount (*i.e.*, $7,500.00). Each Aggrieved Employee's *pro rata* portion of the Net PAGA Amount will be based on the number of pay periods he or she worked for Alliance Defendants during the relevant time.

Settlement Class Members, do not opt out of the Settlement Class, and who worked in the PAGA Period will receive both a Settlement Award and a PAGA Award either as two separate checks or combined into one check.

For tax reporting purposes, PAGA Awards will be allocated 100% as penalties and Settlement Awards will be allocated as follows: twenty-five percent (25%) of each Settlement Award shall be allocated as wages, seventy-five percent (75%) of each Settlement Award shall be allocated as penalties and interest. None of the parties or attorneys makes any representations concerning the tax consequences of this Settlement or your participation in it. Settlement Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement.

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your monetary Settlement Award. If you fail to keep your address current, you may not receive your Settlement Award.

5. What Are The Releases?

Upon Final Approval of the Settlement Agreement and funding of the total settlement amount, Plaintiff, all Class Members, and all Aggrieved Employees release claims as follows ("Released Claims") against Defendant Alliance and all of its officers, directors, employees, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims (collectively, the "Releasees"):

- Plaintiff and Settlement Class Members release Alliance Defendants and Releasees from all claims arising during the period between September 27, 2017 and July 17, 2025: all claims, actions or causes of action against Alliance Defendants and other Releasees except for claims under the California Private Attorneys General Act, arising during the Class

Period, under state, federal, or local law, that were asserted in the Actions or could have been asserted in the Actions based on the facts and theories alleged in any complaint on file in the Actions. This release is limited to claims arising from work in Field-related Positions within the Settlement Period.

In addition, if the Court approves this Settlement:

- Plaintiff, as representative of the State of California and on behalf of the Labor and Workforce Development Agency ("LWDA") and the Aggrieved Employees releases and discharges Alliance Defendants from claims for penalties under the California Private Attorneys' General Act (California Labor Code § 2698, *et seq.*) that (a) arise from the facts, matters, transactions or occurrences alleged in the Actions or that could have been alleged in the Actions based on such facts; and/or (b) arise from the facts, matters, transactions or occurrences alleged, or that could have been alleged based on such facts, in the PAGA Notice Letter sent by Class Counsel on behalf of Plaintiff to the LWDA pursuant to Labor Code § 2699.3 on or about March 17, 2022 asserting that Alliance Defendants violated various provisions of the Labor Code. The released PAGA Claims include claims premised on the on the failure to pay minimum and overtime wages, failure to provide meal periods, failure to provide rest periods, failure to pay all wages earned and owed upon separation from Alliance Defendants' employ, failure to pay wages timely during employment and failure to provide accurate itemized wage statements. The PAGA release excludes claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation claims, FEHA-related claims for retaliation, discrimination or harassment, and any claims outside of the PAGA Period (March 21, 2021 and July 17, 2025). The release is limited to claims arising from work in Field-related Positions during the PAGA Period.

6. What Are My Rights?

- **Do Nothing**: If you are a Class Member and you do not timely and validly opt-out, you will automatically become a part of the Settlement Class and you will receive your pro-rated Settlement Award. If you are also an Aggrieved Employee, then you will also receive an Individual PAGA Payment. By doing nothing, you will be bound by the Settlement including its release provisions.

- **Opt-Out**: If you are a Class Member and you do not wish to be bound by the Settlement, you must submit a written exclusion from the Settlement ("opt-out"), postmarked by [INSERT DATE 60 DAYS AFTER NOTICE IS MAILED]. **However, you cannot opt out of the PAGA portion of the settlement. Those who opt out of this Settlement and who are also Aggrieved Employees will still be bound by the release of PAGA in this Settlement and will receive an Individual PAGA Payment.**

  The written request for exclusion must contain your full name, address, telephone number, email address (if applicable), and last four digits of your social security number, and must be signed individually by you. No opt-out request may be made on behalf of a group. The opt-out request must be sent by mail to the Settlement Administrator at [INSERT

SETTLEMENT ADMINISTRATOR ADDRESS]. **Any person who requests exclusion (opts out) of the settlement will not be entitled to any Settlement Award and will not be bound by the Settlement Agreement or have any right to object, appeal or comment thereon**.

- **Object**: If you are a Class Member and wish to object to the Settlement as unfair, unreasonable, and/or inadequate or believe the Settlement should not be finally approved for any reason. You cannot ask the Court to order a different settlement; the Court can only approve or reject the Settlement.

Any objection to the settlement must be in writing**.** The objection must be sent by mail to the Settlement Administrator at [INSERT SETTLEMENT ADMINISTRATOR ADDRESS]. All written objections and supporting papers must include the following: (i) the full name and signature of the objecting Class Member; (ii) be submitted to the Settlement Administrator; (iii) set forth, in clear and concise terms, a statement of the reasons why the objector believes that the Court should find that the proposed Settlement is not in the best interest of the Class and the reasons why the Settlement should not be approved, including the legal and/or factual arguments supporting the objection; (v) state whether the objecting Class Member is represented by counsel, and identify any such counsel; (vi) be postmarked on or before [INSERT DATE 60 DAYS AFTER NOTICE IS MAILED

The Court retains final authority with respect to the consideration and admissibility of any objections. Counsel for the Parties shall file any response to any objections at least ten (10) court days before the date of the Final Fairness and Approval Hearing.

However, if you do not opt out of the Settlement you may appear at the final approval hearing and voice an objection, whether or not you submit a prior written objection.

If you do not object in writing or at the final fairness hearing, in this manner as described, you will have given up your right to object to the Settlement and you will be deemed to have waived such objection and shall forever be barred from making any objection to or appealing the fairness, reasonableness, or adequacy of the Settlement. If you submit an objection, you do not have to come to the Court to talk about it. As long as you submit your written objection on time, the Court will consider it. You may also appear at the final fairness hearing to object or pay your own lawyer to appear in Court on your behalf.

7. Can Alliance Defendants Retaliate Against Me for Participating in this Lawsuit?

Your decision as to whether or not to participate in this lawsuit will in no way affect your work or employment with Alliance Defendants or future work or employment with Alliance Defendants. It is unlawful for Alliance Defendants to take any adverse action against you as a result of your participation in this lawsuit. In fact, Alliance Defendants encourages you to participate in this Settlement.

8. Who Are the Attorneys Representing Plaintiff and the Settlement Class?

Plaintiff and the Settlement Class Members are represented by the following attorneys acting as Class Counsel:

Carolyn H. Cottrell
Ori Edelstein
Jannat Irshad
SCHNEIDER WALLACE
COTTRELL KIM LLP
2000 Powell Street, Suite 1400
Emeryville, CA 94608
Telephone: (800) 689-0024
ccottrell@schneiderwallace.com
oedelstein@schneiderwallace.com
dfuschetti@schneiderwallace.com
jirshad@schneiderwallace.com

9. How Will the Attorneys for the Settlement Class Be Paid?

Class Counsel will be paid from the Gross Settlement Amount of $1,500,000.00. You do not have to pay the attorneys who represent the Class Members. The Settlement Agreement provides that Class Counsel will receive attorneys' fees of up to one-third of $1,500,000.00 (*i.e.*, $500,000.00) plus their out-of-pocket costs (approved by the Court). Class Counsel will file a Motion for Attorneys' Fees and Costs with the Court. The amount of attorneys' fees and costs awarded will be determined by the Court at the Final Approval Hearing.

10. Where can I get more information?

If you have questions about the Notice, or if you did not receive this Notice in the mail and you believe that you are a Class Member, you should contact the Settlement Administrator or Class Counsel.

This Notice is only a summary. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at the Settlement website at [INSERT URL], by contacting the Settlement Administrator at ________________, by contacting Class Counsel toll-free at (800) 689-0024, or by accessing the Court docket in this case for a fee through the Court's electronic public records system at ______________.

PLEASE DO <u>NOT</u> CONTACT THE COURT, THE CLERK OF THE COURT, THE JUDGE, OR ALLIANCE DEFENDANTS FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.