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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF CONTRA COSTA

DANIEL LOPEZ, individually, and on behalf of
other members of the general public similarly
situated,

Plaintiff,

vs.

LG ELECTRONICS ALABAMA, INC., an
Alabama corporation; LG ELECTRONICS
U.S.A., INC., a Delaware corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No.: C22-00686

**JOINT STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE**

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Daniel Lopez (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated, and Defendants LG Electronics Alabama, Inc. and LG Electronics U.S.A., Inc. (“Defendants”) (collectively with Plaintiff, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Actions” means *Lopez v. LG Electronics Alabama, Inc., et al.*, No. C22-00686 (Contra Costa County Superior Court) and *Lopez v. LG Electronics Alabama, Inc. et al.*, No. C22-01572 (Contra Costa County Superior Court).

2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Actions, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Actions, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Actions. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or Two Hundred Forty One Thousand Six Hundred Sixty Seven Dollars (\$241,667). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Actions, up to Twenty Five Thousand Dollars (\$25,000), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.

3. “Class Counsel” means Capstone Law APC.

4. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator and Class Counsel within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List

1 will be formatted in Microsoft Office Excel and will include each Class Member's full name; most
2 recent mailing address and telephone number; Social Security number; the respective number of
3 Workweeks that each Class Member worked during the Class Period and PAGA Period; and any other
4 relevant information needed to calculate settlement payments.

5 5. "Class Member(s)" or "Settlement Class" means all persons who worked for Defendants
6 as non-exempt, hourly paid employees in California at any time during the period from February 28,
7 2018 to the earlier of the date of Preliminary Approval or July 20, 2023.

8 6. "Class Notice" means the Notice of Class Action Settlement, substantially in the form
9 attached as Exhibit A.

10 7. "Class Period" means the period from February 28, 2018 to the earlier of the date of
11 Preliminary Approval or July 20, 2023.

12 8. "Class Representative Enhancement Payment" means the amount to be paid to Plaintiff
13 in recognition of his effort and work in prosecuting the Actions on behalf of Class Members, and for his
14 general release of claims. Subject to the Court granting final approval of this Settlement Agreement and
15 subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class
16 Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000).

17 9. "Court" means the Contra Costa County Superior Court.

18 10. "Defendants" means Defendants LG Electronics Alabama, Inc. and LG Electronics
19 U.S.A., Inc.

20 11. "Effective Date" means the date on which the following events have occurred: (i) this
21 Settlement Agreement has been executed by all Parties and their counsel; (ii) the Court has entered an
22 order granting Preliminary Approval of the Settlement; (iii) the Class Notice has been mailed to the Class
23 Members, and the Response Deadline has passed; (iv) the Court has entered a Judgment approving the
24 Settlement; (v) the period for filing any appeal, writ or other appellate proceeding opposing the
25 Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; i.e.,
26 within 60 calendar days after entry of the Judgment; or (vi) when any appeal, writ or other appellate
27 proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue
28 further remedies or relief; or (vii) when any appeal, writ or other appellate proceeding has upheld the

1 Court's Judgment with no right to pursue further remedies or relief.

2 12. "Final Approval" means the date on which the Court enters an order granting final
3 approval of the Settlement Agreement.

4 13. "Gross Settlement Amount" means the Gross Settlement Amount of Seven Hundred
5 Twenty Five Thousand Dollars (\$725,000), to be paid by Defendants in full satisfaction of all Released
6 Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments,
7 Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement
8 Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by
9 Plaintiff and Defendants based on the aggregation of the agreed-upon settlement value of individual
10 claims. In no event will Defendants be liable for more than the Gross Settlement Amount except that
11 Defendants will be separately responsible for any employer payroll taxes required by law, including the
12 employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement
13 Amount. There will be no reversion of the Gross Settlement Amount to Defendants.

14 14. "Individual Settlement Payment" means each Participating Class Member's and PAGA
15 Member's respective shares of the Net Settlement Fund and PAGA Fund.

16 15. "Net Settlement Fund" means the portion of the Gross Settlement Amount remaining
17 after deducting the Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the
18 PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be
19 distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to
20 Defendants.

21 16. "Notice of Objection" means a Class Member's valid and timely written objection to the
22 Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full
23 name, signature, address, and telephone number, (b) a written statement of all grounds for the objection
24 accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other
25 documents upon which the objection is based; and (d) a statement whether the objector intends to appear
26 at the final fairness hearing.

27 17. "PAGA Members" means all persons who worked for Defendants as non-exempt,
28 hourly paid employees in California at any time during the period from March 11, 2021 to the earlier of

1 the date of Preliminary Approval or July 20, 2023.

2 18. "PAGA Period" means the period from March 11, 2021 to the earlier of the date of
3 Preliminary Approval or July 20, 2023.

4 19. "PAGA Settlement Amount" means the amount that the Parties have agreed to pay to
5 the Labor and Workforce Development Agency ("LWDA") and PAGA Members in connection with
6 Plaintiff's claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698,
7 *et seq.*, "PAGA") ("PAGA Settlement"). The Parties have agreed that Twenty Five Thousand Dollars
8 (\$25,000) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to
9 PAGA, Seventy-Five Percent (75%), or Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750), of
10 the PAGA Settlement Amount will be paid to the California Labor and Workforce Development
11 Agency ("Labor and Workforce Development Agency Payment"), and Twenty-Five Percent (25%), or
12 Six Thousand Two Hundred Fifty Dollars (\$6,250) ("PAGA Fund"), of the PAGA Settlement will be
13 disbursed to PAGA Members, regardless whether they request to be excluded from the Settlement Class.

14 20. "Parties" means Plaintiff and Defendants collectively.

15 21. "Participating Class Members" means all Class Members who do not submit timely and
16 valid Requests for Exclusion.

17 22. "Plaintiff" means Plaintiff Daniel Lopez.

18 23. "Preliminary Approval" means the date on which the Court enters an order granting
19 preliminary approval of the Settlement Agreement.

20 24. "Released Class Claims" means all claims and/or causes of action that were pled or
21 reasonably could have been pled in this case based on the facts alleged in the original class action
22 complaint, first amended class action complaint, proposed second amended complaint, or which
23 reasonably arise out or reasonably relate to such facts, whether known or unknown, including but not
24 limited to the failure to pay wages, the failure to pay for all hours worked, including "off the clock"
25 claims, the failure to pay minimum wages, the failure to pay overtime compensation, the failure to
26 provide meal periods, the failure to pay meal period premium pay, the failure to provide rest periods, the
27 failure to pay rest period premium pay, the failure to pay waiting-time penalties, the failure to timely pay
28 all wages owed during employment, unreimbursed business expenses under Labor Code § 2802, the

1 failure to maintain records, the failure to provide accurate itemized wage statements, including without
2 limitation all related claims for restitution and other equitable relief under Business and Professions Code
3 § 17200 *et seq.*, and related claims for conversion, liquidated damages, punitive damages, penalties,
4 statutory penalties based on the preceding released claims.

5 25. “Released PAGA Claims” means all claims and/or causes of action for PAGA civil
6 penalties that were pled or reasonably could have been pled in this case based on the facts alleged in the
7 original class action complaint, first amended class action complaint, proposed second amended
8 complaint, PAGA complaint, letter to the Labor and Workforce Development Agency, or which
9 reasonably arise out or reasonably relate to such facts, whether known or unknown, including but not
10 limited to the failure to pay wages, the failure to pay for all hours worked, including “off the clock”
11 claims, the failure to pay minimum wages, the failure to pay overtime compensation, the failure to
12 provide meal periods, the failure to pay meal period premium pay, the failure to provide rest periods, the
13 failure to pay rest period premium pay, the failure to pay waiting-time penalties, the failure to timely pay
14 all wages owed during employment, unreimbursed business expenses under Labor Code § 2802, the
15 failure to maintain records, the failure to provide accurate itemized wage statements.

16 26. “Released Parties” means Defendants, their past or present officers, directors,
17 shareholders, agents, principals, employees, heirs, representatives, accountants, auditors, consultants,
18 insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries,
19 affiliates, parents and attorneys, if any.

20 27. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a
21 request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the
22 name, address, telephone number and last four digits of the Social Security Number of the Class
23 Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement
24 Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement;
25 and (e) be faxed or postmarked on or before the Response Deadline.

26 28. “Response Deadline” means the deadline by which Class Members must postmark or
27 fax to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the
28 calculation of Individual Settlement Payments, or postmark Notices of Objection to the Settlement

1 Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of
2 the Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a
3 Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which
4 the U.S. Postal Service is open.

5 29. "Settlement Administration Costs" means the costs payable from the Gross Settlement
6 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
7 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross
8 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
9 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,
10 any such costs in excess of the amount represented by the Settlement Administrator as being the
11 maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of
12 approximately 150 Class Members, the Settlement Administration Costs are currently estimated to be
13 Seven Thousand Five Hundred Dollars (\$7,500).

14 30. "Settlement Administrator" means CPT Group, Inc., or any other third-party class action
15 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
16 administering this Settlement. The Parties each represent that they do not have any financial interest in
17 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
18 could create a conflict of interest.

19 31. "Workweeks" means the number of workweeks each Class Member worked during the
20 Class Period and/or PAGA Period. All Class Members will be credited with at least one Workweek
21 during the Class Period, and all PAGA Members will be credited with at least one Workweek during the
22 PAGA Period.

23 **TERMS OF AGREEMENT**

24 The Plaintiff, on behalf of himself and the Settlement Class, and Defendants agree as follows:

25 32. Funding of the Gross Settlement Amount. Defendants will make a one-time deposit of
26 the Gross Settlement Amount of Seven Hundred Twenty Five Thousand Dollars (\$725,000) into a
27 Qualified Settlement Account to be established by the Settlement Administrator. Defendants will pay the
28 employer's share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will

1 be used for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development Agency
2 Payment; (c) the Class Representative Enhancement Payment; (d) Attorneys' Fees and Costs; and (e)
3 Settlement Administration Costs. Defendants will deposit the Gross Settlement Amount and the
4 employer's share of payroll taxes within one business day after the Effective Date ("Funding Date").

5 33. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or
6 motion by Class Counsel for Attorneys' Fees and Costs of not more than Two Hundred Forty One
7 Thousand Six Hundred Sixty Seven Dollars (\$241,667), plus the reimbursement of all out-of-pocket
8 costs and expenses associated with Class Counsel's litigation and settlement of the Actions (including
9 expert/consultant fees, investigations costs, etc.), not to exceed Twenty Five Thousand Dollars
10 (\$25,000), both of which will be paid from the Gross Settlement Amount.

11 34. Class Representative Enhancement Payment. In exchange for a general release, and in
12 recognition of his effort and work in prosecuting the Actions on behalf of Class Members, Defendants
13 agree not to oppose or impede any application or motion for a Class Representative Enhancement
14 Payment of up to Ten Thousand Dollars (\$10,000). The Class Representative Enhancement Payment
15 will be paid from the Gross Settlement Amount and will be in addition to Plaintiff's Individual
16 Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to
17 pay any and all applicable taxes on the Class Representative Enhancement Payment. Plaintiff
18 understands and agrees that this Settlement Agreement shall remain in full force and effect even if the
19 full amount of Class Representative Enhancement Payment sought by Plaintiff is not ultimately awarded
20 by the Court.

21 35. Settlement Administration Costs. The Settlement Administrator will be paid for the
22 reasonable costs of administration of the Settlement and distribution of payments from the Gross
23 Settlement Amount, which is currently estimated to be Seven Thousand Five Hundred Dollars (\$7,500).
24 These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required
25 tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms,
26 distributing Class Notices, calculating and distributing the Gross Settlement Amount, and providing
27 necessary reports and declarations.

28 36. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount

of Twenty Five Thousand Dollars (\$25,000) from the Gross Settlement Amount will be designated for satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or Six Thousand Two Hundred Fifty Dollars (\$6,250), will be paid to PAGA Members in proportion to the number of Workweeks worked during the PAGA Period.

37. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that no PAGA Member has the right to object to the PAGA Settlement Amount.

38. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendants.

39. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No portion of the PAGA Fund will revert to or be retained by Defendants.

40. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations of Individual Settlement Payments will be made as follows:

40(a) Payments from the Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated "Individual Settlement Payment" from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the "Workweek Value." Each Class Member's "Individual Settlement Payment" will be calculated

1 by multiplying each individual Class Member's total number of Workweeks
2 during the Class Period by the Workweek Value. The Individual Settlement
3 Payment will be reduced by any required deductions for each Participating
4 Class Member as specifically set forth herein, including employee-side tax
5 withholdings or deductions. The entire Net Settlement Fund will be
6 disbursed to all Class Members who do not submit timely and valid
7 Requests for Exclusion. If there are any valid and timely Requests for
8 Exclusion, the Settlement Administrator shall proportionately increase the
9 Individual Settlement Payment for each Participating Class Member
10 according to the number of Workweeks worked during the Class Period, so
11 that the amount actually distributed to the Settlement Class equals 100% of
12 the Net Settlement Fund.

13 40(b) Payments from the PAGA Fund. Defendants will calculate the total number
14 of Workweeks worked by each PAGA Member during the PAGA Period
15 and the aggregate total number of Workweeks worked by all PAGA
16 Members during the PAGA Period. To determine each PAGA Member's
17 estimated "Individual Settlement Payment," the Settlement Administrator
18 will use the following formula: The PAGA Fund will be divided by the
19 aggregate total number of Workweeks during the PAGA Period, resulting in
20 the "PAGA Workweek Value." Each PAGA Member's "Individual
21 Settlement Payment" will be calculated by multiplying each individual
22 PAGA Member's total number of Workweeks during the PAGA Period by
23 the PAGA Workweek Value. The entire PAGA Fund will be disbursed to
24 all PAGA Members.

25 41. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
26 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
27 Settlement, will not be utilized to calculate or provide any basis for any additional benefits under any
28 benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing

1 plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
2 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect
3 any rights, contributions, or amounts to which any Class Members may be entitled under any benefit
4 plans.

5 42. Administration Process. The Parties agree to cooperate in the administration of the
6 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
7 administration of the Settlement.

8 43. Delivery of the Class List. Within twenty (20) calendar days of Preliminary Approval,
9 Defendants will provide the Class List to the Settlement Administrator.

10 44. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class
11 List from Defendants, the Settlement Administrator will mail a Class Notice to all Class Members via
12 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class
13 List.

14 45. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
15 Administrator will perform a search based on the National Change of Address Database for information
16 to update and correct for any known or identifiable address changes. Any Class Notices returned to the
17 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly
18 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
19 Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is
20 provided, the Settlement Administrator will promptly attempt to determine the correct address using a
21 skip-trace, or other search using the name, address and/or Social Security number of the Class Member
22 involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed
23 Class Notice, whether by skip-trace or by request, will have either (a) an additional fifteen (15) calendar
24 days or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an
25 objection to the Settlement.

26 46. Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will
27 provide: (a) information regarding the nature of the Actions; (b) a summary of the Settlement's principal
28 terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of Workweeks each

1 respective Class Member and PAGA Member worked for Defendants during the Class Period and
2 PAGA Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment
3 and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class
4 Period and PAGA Period; (g) instructions on how to submit Requests for Exclusion or Notices of
5 Objection; (h) the deadlines by which the Class Member must postmark or fax Request for Exclusions,
6 or postmark Notices of Objection to the Settlement; and (i) the claims to be released.

7 47. Disputed Information on Class Notices. Class Members will have an opportunity to
8 dispute the information provided in their Class Notices. To the extent Class Members dispute their
9 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
10 Settlement Administrator showing that such information is inaccurate. Defendants' records will be
11 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the
12 Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline,
13 and will be decided within ten (10) business days after the Response Deadline.

14 48. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
15 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
16 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
17 receiving the defective submission to advise the Class Member that his or her submission is defective
18 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have
19 until (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter,
20 whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for
21 Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

22 49. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
23 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
24 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
25 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
26 for Exclusion has been timely submitted.

27 50. Estimated Class Size. Defendants and Plaintiff agree that the Gross Settlement Amount
28 was determined in part based on Defendants' representation there were approximately One Hundred

Fifty (150) Class Members from February 28, 2018 through December 31, 2022 who worked approximately Seventeen Thousand Two Hundred Fifteen (17,215) Workweeks through the date of March 22, 2023 ("Total Workweeks"). If the number of Workweeks increases by more than Ten Percent (10%) of the Total Workweeks, Defendants shall have the option to select between whether the Gross Settlement Amount will be increased proportionately, or the Class Period/PAGA Period (as well as the end dates used for the definitions of "Class Members" and "PAGA Members") shall cut off at the date that the Workweeks exceed One Hundred and Ten Percent (110%) of Total Workweeks.

51. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement.

52. Releases by Participating Class Members. Upon the Funding Date, and except as to such rights or claims as may be created by this Settlement Agreement, each Participating Class Member, together and individually, on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the Released Class Claims arising during the Class Period.

53. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or claims as may be created by this Settlement Agreement, each PAGA Member, together and individually, on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the Released PAGA Claims during the PAGA Period.

54. Defendants' Right to Void. Defendants will have, in their sole discretion, the right to void and withdraw from the Settlement if, at any time prior to Final Approval, Five Percent (5%) or more of Class Members opt out of the settlement. Defendants must exercise this right of rescission in writing to Class Counsel within ten (10) business days after the Response Deadline. If the option to rescind is exercised, then Defendants will be solely responsible for all Settlement Administration Costs incurred to the date of rescission.

1 55. Objection Procedures. To object to the Settlement Agreement, a Class Member may
2 either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
3 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object either by
4 submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be
5 deemed to have waived all objections to the Settlement and will be foreclosed from making any
6 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the
7 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written
8 objections to the Settlement Agreement or appeal from the final approval order and judgment. Class
9 Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a
10 Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for
11 Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the
12 Class Member shall not participate in or be bound by the Settlement.

13 56. Certification Reports Regarding Individual Settlement Payment Calculations. The
14 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report that
15 certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to
16 the Settlement, and whether any Class Member has submitted a challenge to any information contained
17 in their Class Notice. Additionally, the Settlement Administrator will provide to counsel for both Parties
18 any updated reports regarding the administration of the Settlement Agreement as needed or requested.

19 57. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days
20 of the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class
21 Members and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and
22 (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved
23 services performed in connection with the Settlement.

24 58. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment
25 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for
26 more than one hundred and eighty (180) calendar days after issuance will be tendered to California State
27 Bar Justice Gap Fund ("CSBJGF"). The Parties do not have a connection to or a relationship with
28 CSBJGF that could reasonably create the appearance of impropriety as between the selection of

1 CSBJGF as the recipient of the unclaimed residuals and the interests of the class.

2 59. Certification of Completion. Upon completion of administration of the Settlement, the
3 Settlement Administrator will provide a written declaration under oath to certify such completion to the
4 Court and counsel for all Parties.

5 60. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
6 be allocated as follows: (a) One-Third (1/3) of each Individual Settlement Payment will be allocated as
7 wages for which IRS Forms W-2 will be issued; and (b) Two-Thirds (2/3) will be allocated as non-
8 wages (i.e., penalties and interest) for which IRS Forms 1099-MISC will be issued. All payments from
9 the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be issued.

10 61. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
11 will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class
12 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
13 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
14 and penalties to the appropriate government authorities.

15 62. Tax Liability. Defendants make no representation as to the tax treatment or legal effect
16 of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on
17 any statement, representation, or calculation by Defendants or by the Settlement Administrator in this
18 regard.

19 63. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
20 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
21 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
22 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
23 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
24 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
25 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
26 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
27 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
28 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS

OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

64. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

65. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

66. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) preliminary approval of the proposed Settlement Agreement, (c) setting a date for a final fairness hearing. The Preliminary Approval Order will provide for the Class Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this

1 Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed
2 Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting
3 all documents necessary to obtain preliminary approval.

4 67. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
5 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
6 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
7 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b)
8 the Class Representative Enhancement Payment; (c) Individual Settlement Payments; (d) the Labor and
9 Workforce Development Agency Payment; (e) all Settlement Administration Costs. The final fairness
10 hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel
11 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also
12 be responsible for drafting the attorneys' fees and costs application to be heard at the final approval
13 hearing.

14 68. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
15 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its
16 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
17 addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement
18 administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as
19 set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement
20 Administrator's website.

21 69. Release by Plaintiff. Upon the Funding Date, in addition to the claims being released by
22 all Participating Class Members, Plaintiff will release and forever discharge the Released Parties, to the
23 fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not
24 asserted, which Plaintiff has or may have against the Released Parties as of the date of execution of this
25 Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the
26 California Civil Code or similar provisions of other applicable law may apply, Plaintiff expressly waives
27 any and all rights and benefits conferred upon him by the provisions of Section 1542 of the California
28 Civil Code or similar provisions of applicable law which are as follows:

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

7 70. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
8 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
9 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

10 71. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
11 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
12 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section
13 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is
14 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
15 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
16 contradict the terms of this Settlement Agreement.

17 72. Amendment or Modification. No amendment, change, or modification to this Settlement
18 Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved
19 by the Court.

20 73. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
22 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
23 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
24 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
25 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
26 reach agreement on the form or content of any document needed to implement the Settlement, or on any
27 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
28 may seek the assistance of the Court to resolve such disagreement.

74. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

75. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

76. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

77. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Actions and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. 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 Settlement.

78. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

79. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement Agreement's terms.

80. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendants

1 are liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

2 81. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
3 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In
4 entering into this Settlement, Defendants do not admit, and specifically deny, that they violated any
5 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or
6 any other applicable laws, regulations or legal requirements; breached any contract; violated or breached
7 any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with
8 respect to their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any
9 of the negotiations connected with it, will be construed as an admission or concession by Defendants of
10 any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to
11 enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be
12 offered or received as evidence in any action or proceeding to establish any liability or admission on the
13 part of Defendants or to establish the existence of any condition constituting a violation of, or a non-
14 compliance with, federal, state, local or other applicable law.

15 82. No Public Comment: The Parties and their counsel agree that they will not issue any
16 press releases, initiate any contact with the press, respond to any press inquiry, or have any
17 communication with the press about or otherwise publicize in any way the fact, amount or terms of the
18 Settlement.

19 83. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
20 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
21 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

22 84. Enforcement Actions. In the event that one or more of the Parties institutes any legal
23 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
24 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
25 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
26 expert witness fees incurred in connection with any enforcement actions.

27 85. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
28 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed

1 more strictly against one party than another merely by virtue of the fact that it may have been prepared
2 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
3 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

4 86. Representation By Counsel. The Parties acknowledge that they have been represented
5 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
6 that this Settlement Agreement has been executed with the consent and advice of counsel. Further,
7 Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

8 87. All Terms Subject to Final Court Approval. All amounts and procedures described in
9 this Settlement Agreement herein will be subject to final Court approval.

10 88. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
11 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
12 Settlement Agreement.

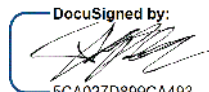
13 89. Binding Agreement. The Parties warrant that they understand and have full authority to
14 enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
15 enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in
16 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
17 otherwise might apply under federal or state law.

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20 **THIS SECTION LEFT BLANK**
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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

DocuSigned by:



5CA027D899CA493...

Daniel Lopez

Dated: 5/22/2023

**DEFENDANT LG ELECTRONICS
ALABAMA, INC.**

Dated: _____

Please Print Name of Authorized Signatory

DEFENDANT LG ELECTRONICS U.S.A., INC.

Dated: _____

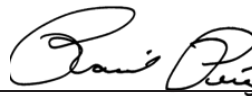
Please Print Name of Authorized Signatory

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: May 22, 2023

By:



Raul Perez

Attorneys for Plaintiff Daniel Lopez

LITTLER MENDELSON, P.C.

Dated: June 6, 2023

By:



John Ybarra

Attorneys for Defendants LG Electronics Alabama,
Inc. and LG Electronics U.S.A., Inc.

1 **READ CAREFULLY BEFORE SIGNING**

2 **PLAINTIFF**

3
4 Dated: _____

_____ Daniel Lopez

5
6 **DEFENDANT LG ELECTRONICS**
7 **ALABAMA, INC.**

8
9 Dated: _____

_____ Please Print Name of Authorized Signatory

10
11 **DEFENDANT LG ELECTRONICS U.S.A., INC.**

12
13 Dated: MAY 24, 2023

14 Jaewoo Hwang
Please Print Name of Authorized Signatory

15 NA Regional CFO

16 **APPROVED AS TO FORM**

17 **CAPSTONE LAW APC**

18
19 Dated: _____

By: _____

Raul Perez

20 Attorneys for Plaintiff Daniel Lopez

21
22 **LITTLER MENDELSON, P.C.**

23
24 Dated: June 6, 2023

By: John Ybarra

John Ybarra

25 Attorneys for Defendants LG Electronics Alabama,
26 Inc. and LG Electronics U.S.A., Inc.
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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____

Daniel Lopez

DEFENDANT LG ELECTRONICS
ALABAMA, INC.

Dated: 5-25-2023

한 형근

Please Print Name of Authorized Signatory

HYUNG GON HAN
CFO

DEFENDANT LG ELECTRONICS U.S.A., INC.

Dated: MAY 24, 2023

조은희

Please Print Name of Authorized Signatory

Jaewoo Hwang
NA Regional CFO

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____

By: _____

Raul Perez

Attorneys for Plaintiff Daniel Lopez

LITTLER MENDELSON, P.C.

Dated: June 6, 2023

By: J. Ybarra

John Ybarra

Attorneys for Defendants LG Electronics Alabama,
Inc. and LG Electronics U.S.A., Inc.

Exhibit A

Lopez v. LG Electronics Alabama, Inc., No. C22-00686
Lopez v. LG Electronics Alabama, Inc., No. C22-01572
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF CONTRA COSTA
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All persons who worked for Defendants LG Electronics Alabama, Inc. and LG Electronics U.S.A., Inc. (“Defendants”) as non-exempt, hourly paid employees in California at any time during the period from February 28, 2018 to [the earlier of the date of Preliminary Approval or July 20, 2023] (“Class Members”).

All persons who worked for Defendants as non-exempt, hourly paid employees in California at any time during the period from March 11, 2021 to [the earlier of the date of Preliminary Approval or July 20, 2023] (“PAGA Members”).

On _____, the Honorable Charles S. Treat of the Contra Costa County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendants’ records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at __:00 __m. on _____, 2023 in Department 12 of the Contra Costa County Superior Court located at 725 Court Street, Martinez, California 94533.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Fund and PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims and PAGA penalty claims against Defendants based on the facts alleged in the Action during the applicable Class Period and PAGA Period.
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.
The Opt-out Deadline is [DATE]	You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against Defendants based on the facts alleged in the Action during the PAGA Period.

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed class settlement, but not the PAGA settlement.
You Can Participate in the [DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [DATE] in Department 12 of the Contra Costa County Superior Court located at 725 Court Street, Martinez, California 94533. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement.

Summary of the Litigation

Plaintiff Daniel Lopez, on his behalf and on behalf of other current and former non-exempt employees, alleges that Defendants violated California state labor laws as a result of their alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) reimburse employees for necessary business expenses; and (5) provide employees with accurate, itemized wage statements.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On March 22, 2023, the parties participated in a mediation with Jeffrey Ross, Esq., an experienced and well-respected class action mediator. With Mr. Ross’s guidance, the parties were able to negotiate a complete settlement of Plaintiff’s claims.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendants have denied, and continue to deny the factual and legal allegations in the case and believe that they have valid defenses to Plaintiff’s claims. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendants have agreed to settle the case as part of a compromise with Plaintiff.

Summary of The Proposed Settlement Terms

Plaintiff and Defendants have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$725,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Daniel Lopez for his services on behalf of the class, and for a release of all claims arising out of his employment with Defendants; (3) \$241,667 in attorneys’ fees and up to \$25,000 in litigation costs and expenses; (4) a \$25,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), inclusive of a \$18,750 payment to the California Labor and Workforce Development Agency (“LWDA”)

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

in connection with the PAGA, and a \$6,250 payment (“PAGA Fund”) to all PAGA Members; and (5) reasonable Settlement Administrator’s fees and expenses currently estimated at \$_. After deducting the above payments, a total of approximately \$_ will be allocated to Class Members who do not opt out of the Settlement Class (“Net Settlement Fund”). Additionally, all PAGA Members will receive a proportional share of the \$6,250 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Class Member from February 28, 2018 to [the earlier of the date of Preliminary Approval or July 20, 2023] (“Class Period”) and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member’s estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the “Workweek Value.” Each Class Member’s share of the Net Settlement Fund will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member’s share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendants’ records, you worked during the Class Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$_____.

Payments from PAGA Fund. Defendants will calculate the total number of Workweeks worked by each PAGA Member from March 11, 2021 to [the earlier of the date of Preliminary Approval or July 20, 2023] (“PAGA Period”) and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member’s estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the “PAGA Workweek Value.” Each PAGA Member’s share of the PAGA Fund will be calculated by multiplying each individual PAGA Member’s total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he or she submits a valid Request for Exclusion.

According to Defendants’ records, you worked during the PAGA Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$_____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$_____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o _____
Fax No. _____

If you dispute the information stated above, Defendants’ records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, one-third (1/3) of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and two-thirds (2/3) will be allocated as non-wages (i.e., penalties and interest) for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – *Automatically Receive a Payment from the Settlement*

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims:

Released Class Claims: All claims and/or causes of action that were pled or reasonably could have been pled in this case based on the facts alleged in the original class action complaint, first amended class action complaint, proposed second amended complaint, or which reasonably arise out or reasonably relate to such facts, whether known or unknown, including but not limited to the failure to pay wages, the failure to pay for all hours worked, including “off the clock” claims, the failure to pay minimum wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to pay meal period premium pay, the failure to provide rest periods, the failure to pay rest period premium pay, the failure to pay waiting-time penalties, the failure to timely pay all wages owed during employment, unreimbursed business expenses under Labor Code § 2802, the failure to maintain records, the failure to provide accurate itemized wage statements, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code § 17200 *et seq.*, and related claims for conversion, liquidated damages, punitive damages, penalties, statutory penalties based on the preceding released claims.

Released PAGA Claims: All claims and/or causes of action for PAGA civil penalties that were pled or reasonably could have been pled in this case based on the facts alleged in the original class action complaint, first amended class action complaint, proposed second amended complaint, PAGA complaint, letter to the Labor and Workforce Development Agency, or which reasonably arise out or reasonably relate to such facts, whether known or unknown, including but not limited to the failure to pay wages, the failure to pay for all hours worked, including “off the clock” claims, the failure to pay minimum wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to pay meal period premium pay, the failure to provide rest periods, the failure to pay rest period premium pay, the failure to pay waiting-time penalties, the failure to timely pay all wages owed during employment, unreimbursed business expenses under Labor Code § 2802, the failure to maintain records, the failure to provide accurate itemized wage statements.

Option 2 – *Opt Out of the Settlement*

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

The Request for Exclusion must be postmarked or faxed not later than _____, 2023. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2023, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Member, you will still release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than _____ 2023. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Contra Costa and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: 1 (888) 304-2574

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR DEFENDANTS' ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******