

STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement,” “Settlement” and/or “Agreement”) is reached by and between Plaintiff Luis Manuel Jara (“Plaintiff”), individually and on behalf of all members of the Settlement Class and PAGA Employees (both terms defined below), on one hand, and Defendant Reid Products, Inc. (“Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff, the Settlement Class, and the PAGA Employees are represented by Paul K. Haines of Haines Law Group, APC, and Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC (collectively, “Class Counsel”). Defendant is represented by Diana Lerma and Christina J. Tantoy of Stokes Wagner.

On March 14, 2022, Plaintiff Luis Manuel Jara filed a class action Complaint against Defendant in San Bernardino County Superior Court, in the matter entitled *Luis Manuel Jara v. Reid Products, Inc., a Delaware limited liability company; and Does 1 through 100, inclusive*, Case No. CIVSB2204688, alleging the following claims: (1) failure to pay all minimum wages owed; (2) failure to pay all overtime wages owed; (3) failure to provide meal periods and pay premium wages for non-compliant meal periods; (4) failure to authorize and permit rest periods and pay premium wages for non-compliant rest periods; (5) failure to issue accurate, itemized wage statements; (6) failure to timely pay all wages due upon separation of employment; and (7) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above. On August 5, 2022, Plaintiff Luis Manuel Jara filed a First Amended Complaint adding a cause of action under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”)

Defendant denies the allegations in the Complaint and First Amended Complaint, denies any failure to comply with the laws identified in the Complaint and First Amended Complaint and denies any and all liability for the causes of action alleged.

Given the uncertainty of litigation and Defendant’s denial of Plaintiff’s claims, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class, PAGA Employees, and the State of California. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the “Settlement Class” defined as follows:

All current and former non-exempt, hourly employees of Defendant Reid Products, Inc. who worked at any time in California during the Class Period.

For purposes of this Settlement Agreement, the “Class Period” shall mean the time period between March 14, 2018 and June 7, 2023.

The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **PAGA Employees.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the following definition of “PAGA Employees”:

All current and former non-exempt, hourly employees of Defendant Reid Products Inc. who worked at any time in California during the PAGA Period.

For purposes of this Settlement Agreement, the “PAGA Period” shall mean the time period between March 11, 2021 and June 7, 2023.

3. **Release by Settlement Class Members and Plaintiff.** Plaintiff and every member of the Settlement Class (except those who timely and properly submit a Request for Exclusion as set forth below) will fully and forever completely release and discharge Defendant, its past and present officers, directors, shareholders, members, owners, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents, and attorneys, (collectively the “Released Parties”), as follows:

- A. Settlement Class Members’ Release: Settlement Class Members who do not submit a timely and valid Request for Exclusion, will fully and forever completely release and discharge the Released Parties from all claims, demands, rights, liabilities and causes of action that were pled in the operative First Amended Complaint in the Action, that arose during the Class Period defined above with respect to the following claims: (a) failure to pay all minimum wages owed; (b) failure to pay all overtime wages owed; (c) failure to provide meal periods and pay premium wages for non-compliant meal periods; (d) failure to authorize and permit rest periods and pay premium wages for non-compliant rest periods; (e) failure to issue accurate, itemized wage statements; (f) failure to timely pay all wages due upon separation of employment; and (g) all claims for unfair business practices that reasonably could have been premised on the facts, claims, causes of action or legal theories described above (collectively, the “Released Class Claims”). The Class Members do not release any claims other than those set forth above, including without limitation claims for vested benefits, wrongful termination, violations of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.
- B. The time period for the release of the Released Class Claims shall be the same time period as the Class Period.
- C. PAGA Release: PAGA Employees, including Plaintiff (and also including those who opt-out from the Class portion of the Settlement), will release and forever discharge the Released Parties from all claims, demands, rights, liabilities and causes of action for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”) which were pled in the letter to the LWDA dated March 11, 2022 (**Exhibit A**) and the First Amended Complaint in the Action, or which could have been pled based upon the facts alleged in the operative First Amended Complaint in the Action that arose during the PAGA Period

predicated on the following alleged violations: (a) failure to pay all minimum wages owed; (b) failure to pay all overtime wages owed; (c) failure to provide meal periods and pay premium wages for non-compliant meal periods; (d) failure to authorize and permit rest periods and pay premium wages for non-compliant rest periods; and (e) failure to issue accurate, itemized wage statements and (f) failure to timely pay all wages due upon separation of employment; (collectively, “PAGA Released Claims”).

- D. The time period for the release of the PAGA Released Claims shall be the same time period as the PAGA Period.
- E. In light of the Class Representative Service Award, Plaintiff and his former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge, in addition to the Released Class Claims described above, all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Complaint and First Amended Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the First Amended Complaint and Plaintiff’s letter to the LWDA (Exhibit A), whether known or unknown, under federal law or state law against the Released Parties. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims, which includes waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

- a. Notwithstanding the above, nor anything else in this Settlement, the waiver and release in this Settlement by Plaintiff does not apply to (i) those rights that as a matter of law cannot be waived, including, but not limited to, workers’ compensation claims, pending or otherwise and/or benefits to be received by Plaintiff in workers’ compensation pursuant to the jurisdiction of workers’ compensation; and (ii) rights or claims arising out of this Settlement.
 - b. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that this Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.
- F. The releases identified herein will only be effective upon the date on which Defendant fully funds the Gross Settlement Amount and employer’s share of payroll taxes (“Effective Date of the Releases”).

4. **Agreement to Separate.** Plaintiff has agreed to separate his employment with Defendant. Upon signing this Settlement Agreement, Plaintiff shall execute and deliver to counsel for Defendant a signed written notice of separation and the effective date of the separation of employment shall be 30 days after the Effective Date. Plaintiff shall not return to work pending Final Approval of the Settlement.

5. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a “Gross Settlement Amount” of Four Hundred and Seventy-Five Thousand Dollars and Zero Cents (\$475,000.00) (unless such Gross Settlement Amount is increased pursuant to Paragraph 5.E. below) in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Class Action Administration Solutions as the “Settlement Administrator” to administer this Settlement. All administrative costs due and owing to the Settlement Administrator shall be paid from the Gross Settlement Amount.
- B. With the exception of the Settlement Administrator’s fees, if required by the Settlement Administrator, the Gross Settlement Amount shall be deposited by Defendant into a qualified settlement fund set up by the Settlement Administrator for the benefit of participating Settlement Class members and PAGA Employees. Defendant agrees to deposit the Gross Settlement Amount and the required employer-side taxes with the Settlement Administrator within thirty (30) calendar days after the “Effective Date” which is defined as the latter of: (a) the Court’s final approval of the settlement if no objections by or on behalf of Settlement Class members have been filed; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed.
- C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
 - (1) All payments (including interest) to the Settlement Class members;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Eight Thousand Five Hundred Dollars and Zero Cents (\$8,500.00);
 - (3) Up to Ten Thousand Dollars and Zero Cents (\$10,000.00) for Plaintiff’s Class Representative Service Award, in recognition of his contributions to the Action, his service to the Settlement Class, his general release of all claims against Defendant, waiver under section 1542 of the Civil Code, and agreement to separate his employment with Defendant. The Parties have expressly designated \$5,000 of the requested \$10,000 as consideration for Plaintiff’s agreement to separate his employment with Defendant to occur on the Effective Date. In the event that the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke this Settlement Agreement, and this Settlement shall remain binding;

- (4) Up to one-third of the Gross Settlement Amount in Class Counsel's attorneys' fees [estimated to be One Hundred Fifty-Eight Thousand Thirty-Three Dollars and Thirty-Three Cents (\$158,333.33), unless the Gross Settlement Amount is increased pursuant to Paragraph 5.E. below], plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Twenty Thousand Dollars and Zero Cents (\$20,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees and/or costs, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding; and
 - (5) Twenty Thousand Dollars and Zero Cents (\$20,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Seven Thousand Five Hundred Dollars and Zero Cents (\$15,000.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Two Thousand Five Hundred Dollars and Zero Cents (\$5,000.00), will be payable to the PAGA Employees as the "PAGA Amount," as described below.
- D. Defendant's share of payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount. These taxes will not be deducted from the Gross Settlement Amount.
- E. **Unexpected Workweeks/Escalator Clause.** Defendant represents that there are an estimated 12,107 workweeks worked by Settlement Class members during the Class Period. If the number of workweeks worked by Settlement Class members during the Class Period is more than 10% greater than this figure (i.e., if there are 13,318 or more workweeks worked by the Settlement Class Members), Defendant agrees to increase Gross Settlement Amount on a proportional basis (i.e., if there was an 11% increase in the number of workweeks worked by the Settlement Class members during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 11%).
6. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Settlement Award") from the Settlement. Settlement Awards will be determined and paid as follows:
- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiff's Class Representative Service Awards, the Settlement Administrator's fees and expenses for administration, and the amount designated as PAGA civil penalties payable to the LWDA and the PAGA Amount payable to the PAGA Employees. Once these deductions have been made, the remaining amount shall be paid to the Class Members who do not opt out and shall be known as the "Net Settlement Amount."

- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Settlement Award based on the following formula:
- i. The Net Settlement Amount shall be allocated to Settlement Class members who worked during the Class Period, as follows: each participating Settlement Class member shall receive a proportionate settlement share based upon the number of weeks worked as a non-exempt employee during the Class Period, the numerator of which is the Settlement Class member's total workweeks worked as a non-exempt employee during the Class Period, and the denominator of which is the total workweeks worked as non-exempt employees by all Settlement Class members (who do not opt out) who worked during the Class Period.
- C. PAGA Amount: Five Thousand Five Hundred Dollars and Zero Cents (\$5,000.00) of the Gross Settlement Amount has been designated as the "PAGA Amount" as described above. Each PAGA Employee shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during this PAGA Period which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Employee's number of pay periods worked as a non-exempt employee during this time period, and the denominator of which is the total number of pay periods worked by all PAGA Employees. The payments to PAGA Employees shall be reported as penalties on a Form 1099.
- D. Within ten (10) calendar days following Defendant's deposit of the final Settlement Installment of Gross Settlement Amount and all employer-side taxes with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for the Parties for review and approval. Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail Settlement Awards to participating Settlement Class members.
- E. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: sixty-seven (67%) as penalties and interest; and thirty-three percent (33%) as wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Each Settlement Class member who receives a Settlement Award will be responsible for correctly characterizing the payment for tax purposes and for payment of any taxes owing on said amount. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- F. Each member of the Settlement Class who receives a Settlement Award must cash the check(s) within 180 days from the date the Settlement Administrator mails it/them. Any funds payable to Settlement Class members whose checks were not

cash within 180 days after mailing will be transferred to the California Secretary of State - Unclaimed Property Fund under the unclaimed property laws in the name of the Settlement Class member. Any uncashed funds from the PAGA Amount shall be handled in the same manner.

7. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Gross Settlement Amount, which is currently estimated to be One Hundred Fifty-Eight Thousand, Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$158,333.33), unless the Gross Settlement Amount is increased pursuant to Paragraph 5.D. above, in which case the attorneys' fees shall increase accordingly. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued IRS Forms 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award and cost award approved by the Court.

8. **Class Representative Service Award.** Defendant will not object to a request for a Class Representative Service Award of up to Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff for his time and risk in prosecuting this case, his service to the Settlement Class, and his execution of a general release. The Parties agree that Plaintiff's employment will be separated effective 30 days after the Effective Date and Plaintiff shall deliver a signed written notice of separation upon signing this agreement. The Parties further agree that Plaintiff shall not return to work pending final approval. The Parties have agreed to specifically designate \$5,000 of the requested Class Representative Service Award (in an amount not to exceed \$10,000) as consideration for Plaintiff's agreement to separate his employment. This award will be in addition to Plaintiff's Settlement Award as a Settlement Class member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

9. **Settlement Administrator.** Defendant will not object the appointment of Phoenix Class Action Administration Solutions as Settlement Administrator. Defendant will not object to Plaintiff seeking permission to pay up to Eight Thousand Five Hundred Dollars and Zero Cents (\$8,500.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Settlement Awards and preparing all checks and mailings, calculating Defendant's share of taxes payable on the wages, which shall be paid by Defendant separate and apart from the Gross Settlement Amount, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Settlement Awards have been mailed to all participating Settlement Class members.

10. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines of Haines Law Group, APC and Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC, as Class Counsel;
- C. Appointing Luis Manuel Jara as Class Representative for the Settlement Class;
- D. Approving Phoenix Class Action Administration Solutions as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Notice of Pendency of Class Action and Settlement and Notice of Settlement Award, drafts of which are attached collectively hereto as **Exhibit B**), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

11. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within twenty (20) calendar days after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the number of weeks worked during the Class Period, number pay periods worked during the PAGA Period (or information allowing the Settlement Administrator to calculate same) for each Settlement Class member while employed during the Class Period and PAGA Period (the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”). The Response

Deadline shall be extended by fourteen (14) days in the event of a re-mailing of a Notice Packet.

- i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and emailed, faxed, or mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Class Member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon.
- ii. Notwithstanding any other provision of this Settlement, Defendant retains the right, in the exercise of its sole discretion, to nullify this Settlement within thirty (30) days after expiration of the Response Deadline, if at least ten percent (10%) or more of the Class Members properly and timely request exclusion from this Settlement. If Defendant elects to nullify this Settlement pursuant to this paragraph, it shall be solely responsible for payment of any and all costs of administration incurred by the Settlement Administrator as of the date of nullification.
- iii. Plaintiff agrees that he shall not request to be excluded from the Settlement.
- iv. The Parties agree there is no statutory or other right for any Settlement Class member to opt out or otherwise exclude himself or herself from the PAGA portion of the Settlement. A Settlement Class member who submits a valid and timely Request for Exclusion shall still receive his or her proportionate share of the PAGA Amount.
- v. **Defendant's Right to Revoke:** If the number of valid Requests for Exclusion identified in the Administrator's status report is 5% of the Class or more, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement, except that Defendant will remain responsible for paying all Settlement Administration Expenses actually incurred up to that time. Defendant must notify Class Counsel and the Court of

its election to withdraw not later than 10 days after the Administrator sends the final Exclusion List or final Report to Defense Counsel; late elections will have no effect.

- D. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by mailing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel) postmarked by the Response Deadline. Class Counsel shall file any objections with the Court. Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any written objection must: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence, if any; and (4) be postmarked no later than the Response Deadline. Members of the Settlement Class who do not request exclusion may also object to the Settlement by appearing at the Final Approval Hearing in person or virtually irrespective of whether they submitted any written objections.
- E. Notice of Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Settlement Award as well the Settlement Class member's number of weeks worked and pay periods worked as a non-exempt employee during the Class Period and PAGA Period. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. If a resolution cannot be reached by and among the Parties and the Settlement Administrator, the Court will render all final decisions on disputes.
- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within three (3) business days of receiving the returned Notice Packet. If an updated mailing address is identified before the Response Deadline, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best

mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have their Response Deadline extended by fourteen (14) calendar days to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once before the Response Deadline, the Settlement Administrator shall continue to make reasonable efforts to obtain an updated mailing address. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

12. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Service Award, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769 and posting notice of the judgment on a static website created and maintained by the Settlement Administrator.

13. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. In particular, but without limiting the generality of the foregoing, nothing about this Settlement Agreement shall be offered or construed as an admission of liability, wrongdoing, impropriety, responsibility, or fault whatsoever on the part of Defendant and/or the Released Parties, and it shall not be construed as or deemed to be evidence of, or an admission or concession that the any Settling Class member has suffered any damage. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

14. **Non-disclosure and Non-publication.** Prior to the filing of the Motion for Preliminary Approval, Plaintiff and Class Counsel agree not to disclose, disseminate, or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Unless as necessary to as effectuate the terms of the Settlement Agreement as set forth herein, Plaintiff, Class Counsel, and Defense Counsel separately agree not to, directly or indirectly, initiate

any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. Thereafter, however, the Parties will agree to make no comments to the media or otherwise disclose, disseminate, or publicize the terms of the settlement; provided, however, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

15. **Confidentiality.** To the extent permitted by law and except as necessary for Plaintiff and Class Counsel to effectuate the terms of the Settlement Agreement, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

16. **Legal Developments.** The Parties agree that Plaintiff will submit to the Court a motion for preliminary approval of this Settlement containing all of the terms and conditions contained herein notwithstanding any new legal developments regarding the Released Class Claims and/or PAGA Released Claims.

17. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

18. **Enforcement Action:** The Parties agree that this Settlement is enforceable pursuant to the provisions of Code of Civil Procedure §664.6. Further, in the event of any dispute arising out of the interpretation, performance, or breach of any provision of this Settlement Agreement, the prevailing party in such dispute(s) shall be entitled to recover their, his and/or its reasonable attorneys’ fees and costs, including any expert witness fees, incurred arising from such dispute.

19. **Staying of Action and Five-Year Rule:** The Parties agree that upon full execution of this Settlement, the Action shall be stayed for all purposes except with respect to seeking approval of the Settlement and/or enforcing the terms thereof. The Parties further stipulate that the time within which to bring the Action to trial under C.C.P. Section 583.310 shall be extended for a period of not less than one (1) year starting from the date of the signing of this Settlement by all Parties until the entry of the final approval order and judgment or if not entered the date this Agreement shall no longer be of any force or effect.

20. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Diana Lerma and Christina Tantoy of Stokes Wagner, 15250
Ventura Blvd., Suite 710, Sherman Oaks, CA 91403;
dlerma@stokeswagner.com and ctantoy@stokeswagner.com

if to Plaintiff:

Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC, 2155 Campus Drive, Suite 150, El Segundo, California 90245; slidman@lidmanlaw.com; enguyen@lidmanlaw.com and mmoore@lidmanlaw.com

Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com

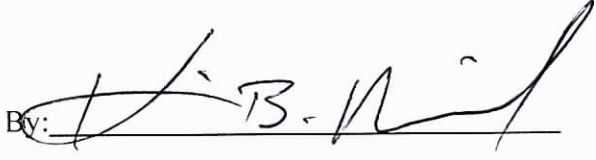
21. **Cooperation.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

22. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

23. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts by facsimile, electronic signature, or email which for purposes of this Agreement shall be accepted as an original, and such signatures may be delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

DATED: October 2, 2023

DEFENDANT REID PRODUCTS, INC.

By: 

Its: PRESIDENT

DATED:

PLAINTIFF LUIS MANUEL JARA

By: _____

Plaintiff and Settlement Class Representative

if to Plaintiff:

Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC, 2155 Campus Drive, Suite 150, El Segundo, California 90245; slidman@lidmanlaw.com; enguyen@lidmanlaw.com and mmoore@lidmanlaw.com

Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com

21. **Cooperation.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

22. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

23. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts by facsimile, electronic signature, or email which for purposes of this Agreement shall be accepted as an original, and such signatures may be delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

DATED:

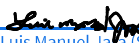
DEFENDANT REID PRODUCTS, INC.

By: _____

Its: _____

DATED: Sep 29, 2023

PLAINTIFF LUIS MANUEL JARA

By:  _____
Luis Manuel Jara (Sep 29, 2023 16:40 PDT)

Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: September 29, 2023

HAINES LAW GROUP, APC

By: 
Paul K. Haines

Attorneys for Plaintiff Luis Manuel Jara

DATED: September 29, 2023

LIDMAN LAW, APC

By: 
Scott M. Lidman

Attorneys for Plaintiff Luis Manuel Jara

DATED:

STOKES WAGNER

By: _____
Diana Lerma
Attorneys for Defendant Reid Products, Inc.

APPROVED AS TO FORM:

DATED:

HAINES LAW GROUP, APC

By: _____
Paul K. Haines

DATED:

Attorneys for Plaintiff Luis Manuel Jara
LIDMAN LAW, APC

By: _____
Scott M. Lidman
Attorneys for Plaintiff Luis Manuel Jara

DATED: October 11, 2023

STOKES WAGNER

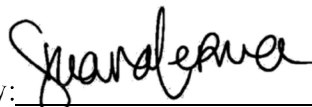
By:  _____
Diana Lerma
Attorneys for Defendant Reid Products, Inc.

EXHIBIT A

EXHIBIT A

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

March 11, 2022

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

VIA U.S. CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Reid Products Inc., a California corporation
c/o Lisa D Boluc, registered agent for service of process
26634 Hitching Post Lane
Helendale, CA 92342

VIA U.S. CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Reid Products Inc., a California corporation
21430 Wallew Road
Apple Valley, CA 92307

Re: *Luis Manuel Jara v. Reid Products Inc., a California corporation*

To Whom It May Concern:

Please be advised that this law firm represents Luis Manuel Jara in claims arising from his employment with Reid Products Inc., a California corporation (“Defendant”). Mr. Jara is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, if the LWDA decides not to investigate, Mr. Jara intends to pursue a lawsuit on behalf of other “Aggrieved Employees”, which should be considered to include all of Defendant’s all current and former non-exempt employees in California who have worked for Defendant, at least in part, during the one year immediately preceding the date of this letter through the date of trial, the date judgment is entered, the date of settlement and/or other date approved by the Court.

Mr. Jara, a former non-exempt employee, was employed by Defendant from approximately February 2019 through approximately August 31, 2021. During his employment with Defendant, Mr. Jara held the job title of a Stamper, with job duties including stamping serial numbers on parts.

During his employment with Defendant, Mr. Jara was generally scheduled to work from 5:00 a.m. to 3:30 p.m. Monday through Friday. Defendant required Mr. Jara to clock

in and out by tying in his unique employee number into a timekeeping system to keep track and record his work time.

During his employment with Defendant, Defendant would keep track of Mr. Jara's and its non-exempt employees' time worked and would unlawfully shave Mr. Jara's and its non-exempt employees' work time and/or round their work time such that they would not be fully paid for all time worked. Specifically, Mr. Jara and other non-exempt employees would clock in two to three minutes before their scheduled start time and begin working. However, Defendant would not pay Mr. Jara and its non-exempt employees for this time and would not begin compensating Mr. Jara and its non-exempt employees until their scheduled start time. This time-shaving and/or rounding practice utilized by Defendant was not even-handed over time and would almost exclusively round and shave in Defendant's favor such that Mr. Jara and other non-exempt employees were routinely unpaid for their time worked. As a result, Defendant failed to pay Mr. Jara and other Aggrieved Employees all required minimum and overtime wages.

Further, in connection with the COVID-19 pandemic, since approximately 2020, Defendant required Mr. Jara and its other non-exempt employees to be subjected to temperature checks before they were allowed to clock in and commence work. Despite being under Defendant's direction and control and being required to undergo the temperature checks for the benefit of Defendant, Defendant failed to compensate Mr. Jara or the other employees for this compensable time. As a result, Defendant failed to pay Mr. Jara and other Aggrieved Employees all required minimum and overtime wages.

Throughout Mr. Jara's employment with Defendant, Mr. Jara and other non-exempt employees were not provided all legally required meal periods due to Defendant's meal period policies and practices, which fail to provide 30-minute duty free first meal periods before the end of the fifth hour of work and fail to provide second duty-free 30-minute meal periods for shifts of over 10.0 hour in violation of California. Specifically, as a result of the work demands imposed by Defendant, Defendant often provided meal periods that were either late or short or failed to provide a required meal period altogether. Further, in connection with the COVID-19 pandemic, Defendant required Mr. Jara and the other non-exempt employees to remain on the work premises during their meal periods. Because Defendant's meal period policy or practice requires employees to remain on the work premises during meal periods since the COVID-19 pandemic, Defendant's meal period policy fails to relinquish control over how employees spend their time during meal periods in violation of California law.

Although Mr. Jara and other Aggrieved Employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate Mr. Jara and other Aggrieved Employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Mr. Jara and other non-exempt employees were also not authorized and permitted to take all legally required and compliant rest periods due to Defendant's rest period

policies and practices. Specifically, when Mr. Jara or other non-exempt employees worked shifts in excess of 10.0 hours, they were not authorized and permitted to take a third rest period. Additionally, in connection with the COVID-19 pandemic, Defendant required Mr. Jara and the other non-exempt employees to remain on the work premises during their rest periods. Because Defendant's rest period policy or practice requires employees to remain on the work premises during rest periods since the COVID-19 pandemic, Defendant's rest period policy fails to relinquish control over how employees spend their time during rest periods in violation of California law.

On those occasions when Mr. Jara and other Aggrieved Employees were not authorized and permitted to take all legally-compliant rest periods to which they were entitled, Defendant failed to compensate Mr. Jara and other Aggrieved Employees with the required rest period premium for each workday in which they experienced a rest period violation as mandated by Labor Code § 226.7.

As a result of Defendant's failure to pay all minimum wages, overtime wages, as well as meal period premium wages and rest period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Jara and other Aggrieved Employees.

As a further result of Defendant's failure to pay all minimum wages, overtime wages, as well as meal period premium wages and rest period premium wages, Defendant failed to pay Mr. Jara and other former Aggrieved Employees all wages upon their separation of employment.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Overtime Violations

Defendant was required to pay Mr. Jara and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked." As explained above, Mr. Jara worked overtime hours but was not properly compensated due to Defendant's failure to compensate for the time spent being subjected to COVID-19 related temperature checks and Defendant's policy and practice of rounding its non-exempt employees' time.

Minimum Wage Violations

Defendant was required to pay Mr. Jara and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197; The Wage Order 1, § 4. Mr. Jara and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices. As alleged above, Defendant caused Mr. Jara and other aggrieved employees to work hours in a workweek but did not properly compensate Mr. Jara and other aggrieved employees at least minimum wages for all such hours, due to Defendant's rounding policies and practices and failure to compensate for the time spent being subjected to COVID-19 related temperature checks.

Meal Period Violations

As alleged above, Defendant failed to provide Mr. Jara and other Aggrieved Employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. Specifically, due to the work demands imposed by Defendant, Mr. Jara and other Aggrieved Employees were often unable to take a duty-free 30-minute meal period before the end of the fifth hour of work. As a result, their meal periods were often late, short, missed, or otherwise unlawful. In addition, they were not provided a second meal period when they worked shifts in excess 10.0 hours. Moreover, in connection with COVID-19 pandemic, Defendant requires its non-exempt employees to remain on the work premises for meal periods, in violation of California law. As a result, Mr. Jara and other Aggrieved Employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Mr. Jara and other Aggrieved Employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate Mr. Jara and other Aggrieved Employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant also failed to authorize and permit Mr. Jara and other Aggrieved Employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As alleged above, Defendant's rest period policies/practices fail to authorize and permit all rest periods for every four hours worked, or *major fraction thereof*. Specifically, as a result of the work demands imposed by Defendant, Defendant did not authorize and permit a third rest period for shifts worked in excess of 10.0 hours. Additionally, in connection with the COVID-19 pandemic, Defendant required its non-exempt employees to remain on the work premises during rest periods in violation of California law. As a result, Mr. Jara and other Aggrieved Employees are owed an

additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”)

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Mr. Jara and other aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, meal and rest period premiums, and total gross and net wages earned, in violation of Labor Code § 226 *et seq.* Defendant’s failure to furnish Mr. Jara and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, and meal and rest period premium wages, and deprived them of the information necessary to identify discrepancies in Defendant’s reported data.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendant failed to timely pay Mr. Jara and other aggrieved employees all of their final wages at the time of separation, which included, among other things, underpaid minimum and overtime wages, and meal and rest period premium wages. Pursuant to Labor Code § 203, Defendant’s failure to pay all final wages due to Mr. Jara and other aggrieved employees was willful and, consequently, entitles Mr. Jara and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Defendant failed to pay their final wages after their separation, up to a maximum of thirty days.

As an “aggrieved employee,” Mr. Jara will initiate a civil action on behalf of himself and other Aggrieved Employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Jara’s own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Jara and other aggrieved employees the statutory minimum wage for all hours worked;
- b) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Jara and other aggrieved employees all overtime compensation earned;

- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Jara and other aggrieved employees;
- d) Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Mr. Jara and other aggrieved employees;
- e) Defendant violated Labor Code § 226 by failing to furnish Mr. Jara and other aggrieved employees with accurate and compliant itemized wage statements;
- f) Defendant violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due to Mr. Jara and other aggrieved employees.
- g) Defendant violated Labor Code § 204 by failing to pay Mr. Jara and other aggrieved employees all earned wages at least twice during each calendar month; and
- h) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Jara and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,

LIDMAN LAW, APC



Scott M. Lidman

EXHIBIT B

EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

LUIS MANUEL JARA, on behalf of himself and on
behalf of all persons similarly situated,

Plaintiffs,

vs.

REID PRODUCTS, INC., a California corporation;
and DOES 1 through 100, inclusive,

Defendants.

Case No. CIVSB2204688

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED SETTLEMENT**

To: All current and former non-exempt, hourly employees of Defendant Reid Products, Inc. who worked at any time in California during the time period between March 14, 2018 and June 7, 2023. Collectively, these employees will be referred to as “Settlement Class Members.”

**PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. In exchange for the settlement payment, you will release claims against the Defendant as detailed below. Your estimated Settlement Award is explained in the accompanying Notice of Settlement Award. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, you must notify the Settlement Administrator as explained below.
Exclude Yourself	To exclude yourself, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. However, if you are a PAGA Employee who requests exclusion, you will still receive an amount as your share of the PAGA civil penalties described below. You are a “PAGA Employee” if you worked at any time in California during the time period between March 11, 2021 and June 7, 2023. Instructions are set forth below.
Object	Write to the Court about why you do not agree with the Settlement, and/or appear at the Final Approval Hearing to make an oral objection. Directions are provided below.

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) entitled *Luis Manuel Jara, on behalf of himself and on behalf of all persons similarly situated, v. Reid Products, Inc* San Bernardino Superior Court Case No. CIVSB2204688 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Reid Products, Inc.’s (“Defendant”) records show that you were employed by Defendant as a non-exempt employee in California at some time between March 14, 2018 and June 7, 2023 (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Luis Manuel Jara (“Plaintiff”) brought this Lawsuit against Defendant, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for Defendant in California at any time between March 14, 2018 and June 7, 2023. Plaintiff is known as the “Class Representative,” and their attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

The Lawsuit alleges that Defendant failed to provide Settlement Class members all minimum and/or overtime wages, failed to provide all legally required meal periods, failed to authorize and permit all legally required rest periods, failed to provide accurate, itemized wage statements and failed to pay all wages upon termination of employment. As a result of the foregoing alleged violations, Plaintiff also alleges that Defendant engaged in unfair business practices and is liable for civil penalties under the California Labor Code Private Attorney General Act of 2004 (“PAGA”).

Defendant denies that it has done anything wrong. Defendant further denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. No Court has made any determination as to the factual allegations in the Lawsuit. Rather, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendant, and it expressly denies all liability.

The Court has not ruled that Defendant violated any laws or whether Plaintiff or any other person is entitled to damages or other relief. However, to avoid additional expense, inconvenience, and interference with their business operations, Defendant has concluded that it is in their best interests and the interests of Settlement Class members to settle the Lawsuit on the terms summarized in this Notice. After Defendant provided relevant information to Class Counsel, the Settlement was reached after mediation and arm’s-length negotiations between the Parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Defendant, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendant’s policies strictly prohibit unlawful retaliation. Defendant will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member’s decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff / Settlement Class Members:	Attorneys for Defendant Reid Products, Inc.
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LIDMAN LAW, APC Scott M. Lidman slidman@lidmanlaw.com Elizabeth Nguyen enguyen@lidmanlaw.com Milan Moore mmoore@lidmanlaw.com 2155 Campus Drive, Suite 150 El Segundo, California 90245 Tel: (424) 322-4772 Fax: (424) 322-4775 www.lidmanlaw.com HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com 155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 www.haineslawgroup.com	STOKES WAGNER Diana Lerma Esq. dlerma@stokeswagner.com Christina J. Tantoy, Esq. ctantoy@stokeswagner.com 15250 Ventura Blvd., Suite 710 Sherman Oaks, CA 91403 Telephone: (213) 618-4128
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What are the terms of the Settlement?

On **[INSERT DATE OF PRELIMINARY APPROVAL]**, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt of Defendant Reid Products, Inc. who worked at any time in California during the time period between March 14, 2018 and June 7, 2023. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendant as described below.

Defendant has agreed to pay \$475,000.00 (the “Gross Settlement Amount”) to fully resolve all claims in the Lawsuit, which includes payments to Settlement Class members, attorneys’ fees and expenses, payment to the Labor Workforce Development Agency (“LWDA”), settlement administration costs, and the Class Representative’s Service Award.

The following deductions from the Gross Settlement Amount will be requested by the Parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside an amount not to exceed \$8,500.00 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount, which is estimated to be \$158,333.33, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement in an amount not to exceed \$20,000.00 for verified costs Class Counsel incurred in connection with the Lawsuit.

Service Award to Class Representative. Class Counsel will ask the Court to award the Class Representative a service award in the amount not to exceed \$10,000.00, to compensate him for his services and extra work provided on behalf of the Settlement Class members.

LWDA Payment. Class Counsel will ask the Court to approve a payment in the total amount of \$20,000.00 as and for alleged civil penalties, payable pursuant to the California Labor Code Private Attorney General Act (“PAGA”). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Fifteen Thousand Dollars and Zero Cents (\$15,000.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Five Thousand Dollars and Zero Cents (\$5,000.00), will be payable to certain PAGA Employees as the “PAGA Amount,” as described below.

Calculation of Individual Settlement Class Members’ Settlement Award. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount (“NSA”), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$<< >>, to be shared among an up to << >> estimated Settlement Class members. The NSA will be divided as follows:

- (i) The Net Settlement Amount shall be allocated to Settlement Class members who worked during the Class Period, as follows: each participating Settlement Class member shall receive a proportionate settlement share based upon the number of workweeks worked as a non-exempt employee during the Class Period, the numerator of which is the Settlement Class member’s total workweeks worked as a non-exempt employee during the Class Period, and the denominator of which is the total workweeks worked as non-exempt employees by all Settlement Class members (who do not opt out) who worked during the Class Period.

PAGA Amount. In addition, Five Thousand Dollars and Zero Cents (\$5,000.00) of the Gross Settlement Amount has been designated as the “PAGA Amount” as described above. Each PAGA Employee shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during the time period between March 11, 2021 and June 7, 2023 (“PAGA Period”) which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Employee’s number of pay periods worked as a non-exempt employee during this time period, and the denominator of which is the total number of pay periods worked by all PAGA Employees. The payments to PAGA Employees shall be reported as penalties on a Form 1099.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion.

If you submit a Request for Exclusion, you will still receive a proportionate share of the PAGA Amount regardless of whether you exclude yourself from the Settlement if you are a PAGA Employee.

Each member of the Settlement Class who receives a Settlement Award must cash the check(s) within 180 days from the date the Settlement Administrator mails it/them. Any funds payable to Settlement Class Members or PAGA Employees whose checks were not cashed within 180 days after mailing will be transferred to the California Secretary of State - Unclaimed Property Fund under the unclaimed property laws in the name of the Settlement Class Member or PAGA Employee.

Payment by Defendant of Gross Settlement Amount. The Gross Settlement Amount shall be deposited by Defendant into a qualified settlement fund set up by the Settlement Administrator for the benefit of participating Settlement Class members and PAGA Employees. Defendant agrees to deposit the Gross Settlement Amount and the required employer-side taxes with the Settlement Administrator within thirty (30) calendar days after the “Effective Date” which is defined as the latter of: (a) the Court’s final approval of the settlement if no objections by or on behalf of Settlement Class members have been filed; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed.

Within ten (10) calendar days following Defendant’s deposit of the final Settlement Installment of Gross Settlement Amount and all employer-side taxes with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for the Parties for review and approval. Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail Settlement Awards to participating Settlement Class members. Settlement Awards are expected to be disbursed in [insert estimated month and year].

Allocation and Taxes. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: sixty-seven (67%) as penalties and interest; and thirty-three percent (33%) as wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Each Settlement Class member who receives a Settlement Award will be responsible for correctly characterizing the payment for tax purposes and for payment of any taxes owing on said amount. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. The Settlement Administrator, Defendant and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Settlement Class Members’ Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class member who has not submitted a timely and valid Request for Exclusion, will fully and forever completely release and discharge Defendant, its past and present officers, directors, shareholders, members, owners, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents, and attorneys (collectively the “Released Parties”), from all claims, demands, rights, liabilities and causes of action that were pled in the operative First Amended Complaint in the Action, that arose during the Class Period defined above with respect to the following claims: (a) failure to pay all minimum wages owed; (b) failure to pay all overtime wages owed; (c) failure to provide meal periods and pay premium wages for non-compliant meal periods; (d) failure to authorize and permit rest periods and pay premium wages for non-compliant rest periods; (e) failure to issue accurate, itemized wage statements; (f) failure to timely pay all wages due upon separation of employment; and (g) all claims for unfair business practices that reasonably could have been premised on the facts, claims, causes of action or legal theories described above (collectively, the “Released Class Claims”). The Class Members do not release any claims other than those set forth above, including without limitation claims for vested benefits, wrongful termination, violations of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

The time period of the Released Claims shall be the same time period as the Class Period.

PAGA Employees’ PAGA Release. If the Court approves the Settlement, all PAGA Employees, including Plaintiff (and also including those who opt-out from the Class portion of the Settlement), will release and forever discharge the Released Parties from all claims, demands, rights, liabilities and causes of action for civil penalties under California Labor Code Private Attorneys General Act of 2004 which were pled in the letter to the Labor & Workforce Development Agency (“LWDA”) dated March 11, 2022 and the operative First Amended Complaint in the Action, or which could have been pled based upon the facts alleged in the operative First Amended Complaint in the Action that arose during the PAGA Period predicated on the following alleged violations: (a) failure to pay all minimum wages owed; (b) failure to pay all overtime wages owed; (c) failure to provide meal periods and pay premium wages for non-compliant meal periods; (d) failure to authorize and permit rest periods and pay premium wages for non-compliant rest periods; (e) failure to issue accurate, itemized wage statements and (f) failure to timely pay all wages due upon separation of employment (collectively, “PAGA Released Claims”).

The time period of the PAGA Released Claim is between March 11, 2021 and June 7, 2023 (“PAGA Period”).

You cannot submit a Request for Exclusion from the PAGA Release.

The releases are null and void if Defendant fail to fully fund the Settlement. The releases identified herein will only be effective upon the date on which Defendant fully funds the Gross Settlement Amount and employer’s share of payroll taxes (“Effective Date of the Release”). Upon the Effective Date of the Release, all Class Members shall be deemed to have, and by operation of Judgment shall have, released, waived and relinquished the Released Claims.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period (as explained above), and as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

If your address is incorrect or has changed, you must notify the Settlement Administrator. It is your responsibility to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or a settlement payment. The Settlement Administrator is: _____ (800) _____.

What other options do I have?

Dispute Information in Notice of Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period, and the number of pay periods you worked during the PAGA Period, if any. The information contained in Defendant's records regarding all of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Settlement Award. If you disagree with the information in your Notice of Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. Send disputes directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>.

DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator's decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending a written "Request for Exclusion from the Class Action Settlement" letter or card to the Settlement Administrator postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, your signature, and a statement indicating that you would like to be excluded from the Class Action Settlement. The Request for Exclusion should state something to the effect of:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN *LUIS MANUEL JARA V. REID PRODUCTS, INC. LAWSUIT*. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who files a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement.

If you submit a Request for Exclusion, you will only be excluded from the Released Claims. You cannot submit a Request for Exclusion from the PAGA Release. You will receive a proportionate share of the PAGA Payment regardless of whether you exclude yourself from the Settlement if you were employed and worked between March 14, 2018 and June 7, 2023.

Do not submit both a Dispute and a Request for Exclusion. If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may email, mail, or fax a written objection to the Settlement Administrator. Your written objection must include your name, address, as well as contact information for any attorney representing you regarding

your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Written objections must be emailed, faxed or postmarked on or before <<RESPONSE DEADLINE>>. Send written objections directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department S-24 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. You have the right to appear either remotely, in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case (*Luis Manuel Jara v. Red Products, Inc.* San Bernardino County Superior Court, Case No. CIVSB2204688).

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department S-24 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Award to the Class Representative. The Final Approval Hearing may be postponed without further notice to Settlement Class members. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

Any changes to date, time, or location of the Final Approval Hearing will be posted on the Settlement Administrator's website (<http://.com>). The Court's final judgment will also be posted on the Settlement Administrator's website.

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. You may get more details by examining the Court's file on the Court Access website for the California Superior Court for the County of San Bernardino (<https://cap.sb-court.org/search>) and entering the Case No. CIVSB2204688 in the Case Number Search field. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANT OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.