# MANUEL ARELLANO MARTINEZ V. GIULIANO-PAGANO CORPORATION CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

## INTRODUCTION AND RECITALS

1. This Agreement for Class Action Settlement ("Agreement") is made by and between Manuel Arellano Martinez ("Plaintiff"), on behalf of himself and all members of the Settlement Class, as defined below, on the one hand, and Defendant Giuliano-Pagano Corporation ("Defendant"), on the other hand, (collectively, the "Parties") in the action entitled *Manuel Arellano Martinez*, *et al v. Giuliano-Pagano Corporation*, *et al* (Los Angeles County Superior Court Case No. 22STCV07482 (the "Litigation").

2. Plaintiff filed a class action in Los Angeles County Superior Court on March 2, 2022. The operative complaint alleges the following causes of action on behalf of Plaintiff and the members of the putative class: (1) Failure to Provide Required Meal Breaks; (2) Failure to Provide Required Rest Breaks; (3) Failure to Pay Overtime Wages; (4) Failure to Pay Minimum Wage; (5) Failure to Timely Pay Wages; (6) Failure to Pay All Wages Due to Discharged and Quitting Employees; (7) Failure to Maintain Required Records; (8) Failure to Furnish Accurate Itemized Statements; (9) Failure to Indemnify Employees For Necessary Expenditures Incurred In Discharge of Duties; and (10) Unfair and Unlawful Business Practices.

3. Defendant has denied and continues to deny each of the claims and contentions alleged by Plaintiff in the Litigation (as defined in this Agreement herein).

4. For settlement purposes only, and without any admission of liability by any Party, the Parties conditionally agree to a settlement class ("Settlement Class Members", "Class Members", or "Class") as defined in Paragraphs 4 and 13 herein. The conditions precedent to this settlement are the court's preliminary and final approval of the settlement terms and conditions as provided in more detail herein. By this Agreement, the Parties expressly state their desire to settle the claims and allegations raised by Plaintiff and Class Members in the Litigation. The effective date of the conditional settlement is the "Settlement Effective Date" as that term is defined in this Agreement. If for any reason the conditional settlement is not approved, this Agreement shall become null and void and will be of no

force or effect and cannot be used for any purposes whatsoever, including in any litigation by any person or any party.

5. Plaintiff contends that Defendant has violated California wage and hour laws, as described herein, and that this case is appropriate for class certification. Defendant expressly denies any liability of any kind associated with the claims alleged in the Litigation, and further denies that this Litigation is appropriate for class treatment for any purpose other than settling this Litigation. Defendant contends, among other things, that it complied at all times all legal authority, including but not limited to the California Labor Code, applicable California Wage Orders and the California Business and Professions Code.

6. The Parties engaged in significant formal and informal discovery in this action. Defendant produced voluminous documents and sampling, including a sample of the pay records for the non-exempt employees in the Class. Defendants also provided Plaintiff's time and pay records, and personnel files.

7. The Parties have performed a thorough study of the facts and the law relating to the claims alleged in the Litigation and based on that investigation and discovery, and taking into account the heavily contested issues, the expense and time necessary to pursue prosecution and defense of the Litigation through dismissal or trial, the risks and costs of further prosecution of the Litigation, the uncertainty of complex litigation, the fairness and reasonableness of the settlement agreed to by the Parties, and the best interest of the Class Members to whom substantial benefits will accrue, the Parties have agreed to the settlement described in this Agreement.

8. The Parties engaged in arms-length negotiations, and participated in a full-day Mediation on February 18, 2025, with Chris Barnes, Esq. (the "Mediation"). The Parties were able to reach a Settlement at Mediation.

9. Nothing contained in this Agreement, including its existence, shall be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant. Nothing in this Agreement shall constitute an admission by Defendant – except for settlement purposes only – that the Litigation was properly brought as a class or representative action. Settlement of the Litigation, the negotiation and execution of this Agreement, and all acts performed or documents

executed pursuant to or in furtherance of this Agreement or the settlement: (i) are not, shall not be deemed to be, and may not be used, as an admission or evidence of any wrongdoing or liability on the part of Defendant or of the truth of any factual allegations in the Litigation; (ii) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part of Defendant in any civil or administrative proceeding in any court, administrative agency or other tribunal; and (iii) are not, shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for class certification or administration other than for purposes of administering this Agreement.

10. Based on the available record, and their own independent investigation and evaluations, counsel for Plaintiff and the Settlement Class Members are of the opinion that the settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable and adequate and is in the best interest of the Plaintiff and Settlement Class Members in the light of all known facts, circumstances and risks inherent in litigation, including potential appellate issues.

11. The purpose of this Agreement is to settle and compromise the Covered Claims alleged by Plaintiff and Settlement Class Members against the Defendant and the Released Parties (as defined below) and as described in this Agreement, including the wage and hour claims which were pled or could have been pled based on the factual allegations asserted in the Litigation for the time period from March 2, 2018 to February 18, 2025 (the “Class Period”).

12. It is agreed by and among Plaintiff, in both his individual and representative capacity, and the Defendant, that this Litigation and the damages, injunctions, remedies, penalties and interest potentially arising out of the Litigation be settled and compromised as between Plaintiff, the Settlement Class Members, and the Defendant, subject to the terms and conditions set forth in this Agreement and the preliminary and final approval of the Court, with judgment entered in accordance with such order of final approval.

## DEFINITIONS

13. In addition to the terms previously defined above, the terms below have the following meanings, with the understanding that the definitions will have no meaning or effect if the settlement is not approved:

A. **Action.** The term "Action" means and refers to the Class and representative causes of action in the case entitled *Manuel Arellano Martinez, et al v. Giuliano-Pagano Corporation, et al*, Los Angeles County Superior Court Case No. 22STCV07482.

B. **Agreement.** The terms "Agreement" or "Settlement Agreement" are used synonymously herein to mean this Agreement.

C. **Class, Class Members, and Settlement Class Members.** For settlement purposes only, the Parties agree pursuant to California Code of Civil Procedure section 382 to the certification of a class ("Class", "Class Members", or "Settlement Class Members") means all current and former non-exempt employees who worked for Defendant in California during the Class Period and have not already released their claims with Defendant through a Settlement Agreement (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification). The term "Settlement Class Members" shall not include any person who submits a timely and valid request for exclusion. The Non-Exempt Class is defined as all current and former non-exempt employees who worked for Defendant at any time from March 2, 2018 to February 18, 2025. The total class size is estimated to be approximately 166 non-exempt employees, but includes any and all non-exempt employees who worked for Defendant at any time from March 2, 2018 to February 18, 2025.

D. **Class Counsel.** The term "Class Counsel" means, the law firm Solouki Savoy, LLP. The term "Class Counsel" shall be used synonymously with the term "Plaintiff's Counsel."

E. **Class Period.** The term "Class Period" as used herein means the period from March 2, 2018 to February 18, 2025.

F. **Compensable Workweek.** The term "Compensable Workweek" shall mean a workweek during which a Class Member received pay for work performed while employed by Defendant during the period from March 2, 2018 to February 18, 2025. A Compensable Workweek includes any week in which a Class Member actively worked at least one day of the week. A Compensable Workweek excludes every full week during which the Class Member was on vacation or on an unpaid leave of absence, even if the Class Member was receiving workers' compensation, disability insurance, Social Security, or Paid Family Leave benefits during the unpaid leave. Workweeks of Class Members that opt out of the Settlement will not be included in the total number of workweeks for purposes of calculating and distributing the settlement payments to the Class Members. The total compensable workweeks are estimated to be approximately 22,684 for the Class Period for the Non-Exempt Class.

G. **Defendant.** The term "Defendant" means Giuliano-Pagano Corporation, and for the purposes of the Release shall include its past, present and/or future, direct and/or indirect, officers, (including but not limited to, Nancy Giuliano), directors, members, volunteers, managers, employees, agents, independent contractors, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers, and other related persons and entities (the "Released Parties").

H. **Employee Taxes and Employer Taxes.** "Employee Taxes" are federal, state and local income taxes, the employee's share of contributions under the Federal Insurance Contribution Act ("FICA"), including Social Security and Medicare contributions, and any other federal, state and local taxes (including State Disability Insurance and Paid Family Leave contributions) required by law to be withheld from the gross amount paid on an employee's paycheck, which will be withheld from the wage portions of the Net Settlement Payments made to the Class Members. "Employer Taxes" are taxes and contributions imposed by law to be paid by the employer in addition to the gross wage amount paid on an employee's paycheck, including FICA, the Federal Unemployment Tax Act ("FUTA"), and any similar state and local taxes and contributions required of employers (such as for unemployment insurance), which will be paid by Defendant outside of the Settlement amounts on the wage portions of the Net Settlement Payments made to the Class Members.

I. **Excluded Class Member.** The term "Excluded Class Member" means a Class Member who has timely submitted a written request to be excluded from the Settlement. To be valid, the Request for Exclusion must: (a) state the full name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (b) clearly state that the Class Member wishes to opt-out of the Class and be excluded from the Settlement; (c) be signed by the Class Member; and (d) be properly and timely faxed or mailed to the Settlement Administrator prior to the Response Deadline (the "Request for Exclusion"). Except if the Class Member is a PAGA Employee, excluded

Class Members will not be included in the Settlement and will have no right to receive any money under the Settlement or to object to the Settlement.

J. **Final Approval.** Final Approval means the Court's order granting final approval of the class action settlement based on the terms stated herein.

K. **Gross Settlement Amount or Settlement Amount.** The terms "Gross Settlement Amount" or " Settlement Amount" as used herein means the maximum amount of money that Defendant will be obligated to pay under this Settlement, on a non-reversionary basis, which shall be the maximum sum of Two Hundred and Twenty Five Thousand Dollars ($225,000) (unless increased pursuant to the Escalator Clause), this includes all payments to Settlement Class Members, Aggrieved Employees, Class Counsel's attorneys' fees and litigation costs, third-party administration costs, payment to the Labor Workforce Development Agency ("LWDA"), and the enhancement award to Plaintiff. Defendant shall pay $100,000 of the Gross Settlement Amount, plus the additional amount to cover the Employer Taxes, immediately after the Parties' obtain preliminary approval of this settlement by the Court. Defendant shall pay the remaining $125,000, plus the additional amount to cover the Employer Taxes, in equal monthly installments for 12 months after the initial $100,000 has been paid and after the parties obtain final approval. These payments shall be made to the Class Administrator and held in trust and/or escrow for Defendant until it consents to release of the funds pursuant to the terms set forth in this Agreement and the satisfaction of the conditions precedent to the settlement, specifically, the Court's preliminary and final approvals of the settlement.

L. **Litigation.** The term "Litigation" as used herein means the allegations set forth by Plaintiff against Defendant in the Class and PAGA Action Complaint as described in Paragraph 2 of this Agreement, and shall be used synonymously with the term "Action".

M. **Net Settlement Amount.** The term "Net Settlement Amount" as used herein means the amount of funds available for distribution to the Settlement Class after deducting from the Gross Settlement Amount the following amounts: (i) the attorneys' fees and costs awarded to Class Counsel; (ii) litigation costs, (iii) third-party administration costs, (iv) the LWDA's proportion of the PAGA Payment, (v) the Aggrieved Employees' Portion of the PAGA Payment (as that term is defined herein), and (vi) the enhancement award to Plaintiff. From the Net Settlement Amount, as described herein, Net

Settlement Payments (as that term is defined herein) will be distributed by the Settlement Administrator to Class Members as more fully described below. Based on its records, Defendant estimates there were approximately 22,684 workweeks commencing March 2, 2018, through February 18, 2025. The Parties anticipate that the total number of workweeks will increase prior to settlement approval. If it is determined that the actual number of workweeks commencing March 2, 2018, through settlement approval exceeds 22,684 by more than ten percent (10%) (22,684 x 10% = 24,952 workweeks), Defendant shall have the option to either (1) increase the Gross Settlement Amount by a proportionate amount for each additional workweek beyond the ten percent (10%) threshold. The below chart provides an estimated calculation of the Net Settlement Amount to the Class Members:

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|---|---|
| **Gross Settlement Amount:** | **$ 225,000.00** |
| Attorneys' Fees | - $ 75,000.00 |
| Litigation Costs | - $ 22,500.00 |
| Enhancement Awards | - $ 10,000.00 |
| Third Party Administration Costs | - $ 6,000 |
| Payment to LWDA for PAGA | - $ 3,750 |
| Payment to PAGA Aggrieved Employees | - $ 1,250 |
| | |
| **Net Settlement Amount:** | **~ $ 106,500.00** |

N. **Net Settlement Payment(s).** The term "Net Settlement Payment(s)" shall mean the payments made to the Settlement Class from the Net Settlement Amount as part of the Settlement, including wages (less Employee Taxes), penalties, and interest.

O. **Notice.** The Notice of Class Action Settlement ("Notice") to be approved by the Court which will be mailed by the Settlement Administrator to each Class Member explaining the terms of the Settlement. The contents of the "Notice" will contain an estimated individual settlement payment, individual number of workweeks, individual number of pay periods (as appropriate), how to opt-out of the settlement, and how to object to the settlement. A copy of the Notice is attached hereto as Exhibit "1".

P. **Objection.** The terms "Objection" means, and refers to, a timely written objection to the Settlement submitted to the Court by a Class Member on or prior to the Response Deadline in compliance with the form and procedures set forth in the "**Objections**" section of this Agreement, provided that the Class Member does not submit a Request for Exclusion.

Q. **PAGA**. The term "PAGA" means the Private Attorneys General Act of 2004, California Labor Code section 2698 et seq.

R. **PAGA Employees.** The term "PAGA Employees" means all Settlement Class Members who worked for Defendant Giuliano-Pagano Corporation in California during the PAGA Period (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification).

S. **PAGA Award**. "PAGA Award" means the portion of the Gross Settlement Amount that is allocated to civil penalties pursuant to the PAGA, and as approved by the Court. The Partiers agree that the PAGA Award should not exceed Five Thousand Dollars and Zero Cents ($5,000.00), from which seventy-five percent (75%) ($3,750) will be distributed to the LWDA and twenty-five percent (25%) ($1,250) will be distributed among the PAGA Aggrieved Employees, on a pro-rata basis, based on their respective Compensable Workweeks during the PAGA Period. However, should the Court determine that the PAGA Award should exceed that agreed to by the Parties, then any increase in the PAGA Award shall decrease the Net Settlement Amount and shall not affect the Gross Settlement Amount to be paid by the Defendant.

T. **PAGA Period.** The PAGA Period and PAGA Release shall be defined as the time from March 4, 2021, through February 18, 2025.

U. **PAGA Release.** All PAGA Employees will release Defendant and their past, present and/or future, direct and/or indirect, officers, directors, members, volunteers, managers, employees, agents, independent contractors, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers from all causes of action and claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (California Labor Code §2698 et. seq.) that were alleged in the operative complaint in the Action or reasonably could have been alleged based on the facts contained in the operative complaint in the Action, and/or the LWDA (PAGA) letter(s), including, but not limited to, all of the following claims for civil penalties under Labor Code section 2698, et seq., for: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Minimum & Regular Wages; (4) Failure to Pay Overtime Wages; (5) Failure to Pay Contractual Wages; (6) Failure to Maintain Accurate Records; (7) Failure to Provide Accurate Itemized Wage Statements; (8) Failure to Timely Pay All Wages Due Upon Separation of Employment; (9) Failure to pay sick and/or vacation pay. The PAGA Release only covers claims during the PAGA Period.

V. **Plaintiff.** The term "Plaintiff" as used herein means Manuel Arellano Martinez.

W. **Preliminary Approval.** Preliminary Approval shall mean the Court's order granting preliminary approval of the class action settlement based on the terms stated herein.

X. **Released Claims.** "Released Claims" include facts contained in the operative complaint, including but not limited to all of the following claims for relief: : (1) Failure to Provide Required Meal Breaks; (2) Failure to Provide Required Rest Breaks; (3) Failure to Pay Overtime Wages; (4) Failure to Pay Minimum Wage; (5) Failure to Timely Pay Wages; (6) Failure to Pay All Wages Due to Discharged and Quitting Employees; (7) Failure to Maintain Required Records; (8) Failure to Furnish Accurate Itemized Statements; (9) Failure to Indemnify Employees For Necessary Expenditures Incurred In Discharge of Duties; and (10) Unfair and Unlawful Business Practices (collectively, the "Released Claims"). The definition of "Released Claims" for the Settlement Class Members shall expressly exclude all claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt, and claims outside of the Class Period. The Released Claims will only cover claims during the Class Period.

Y. **Response Deadline.** "Response Deadline" means the date by which each Class Member must fax or mail to the Settlement Administrator a valid Request for Exclusion, or submit any disputes regarding the dates of service and/or the number of Compensable Workweeks during the Class Period to the Settlement Administrator, or submit any Objection to the Court. The Response Deadline will be sixty (60) calendar days from the initial mailing of the Notice to the Class, except that the Response Deadline will be extended by ten (10) calendar days for any Class Member who is re-mailed the Notice by the Settlement Administrator, in which case the Response Deadline will be adjusted on the Notice to that Class Member.

Z. **Settlement.** The term "Settlement" means the agreement by the Parties to resolve the Litigation pursuant to the terms and procedures set forth in this Agreement.

AA. **Settlement Administrator.** The terms "Settlement Administrator" and "Administrator" means ILYM Group, Inc., which will be responsible for the administration of the Settlement Payment, as defined below, and all related matters, including the following duties: (i) issuing W-2 Forms for amounts deemed "wages", (ii) providing IRS 1099 Forms for the portions allocated to penalties and interest, (iii) administering to PAGA claimants IRS 1099 Forms, and (iv) performing such other duties as are described in this Agreement and/or as are customarily performed by settlement administrators.

BB. **Settlement Administration Costs.** All administrative costs of settlement, including cost of notice to the Settlement Class, claims administration (including preparation of required tax reporting forms and withholding of required taxes), and any fees and costs included or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement, shall not exceed a total amount of $12,000.00 and shall be paid exclusively out of the Gross Settlement Amount.

CC. **Settlement Effective Date or Effective Date.** The settlement embodied in this Agreement shall become effective after all of the following events have occurred: (1) the Agreement has been executed by all Parties and their counsel; (2) the Court has given preliminary approval to the Settlement; (3) the notice packet has been sent to Class Members, providing them with an opportunity to verify their estimated share of the Net Settlement Payments, Opt-Out of the Settlement or Object to the terms of the Settlement; (4) the Court has held a final fairness hearing certifying the class, approving the Settlement; and (5) if no Objection(s) are filed, five (5) calendar days after the date of entry of final approval, but if any Objection(s) are filed, five (5) calendar days following the date of expiration of the period for filing any appeal, or if an appeal is filed, then when the Settlement is subsequently approved following the appeal and there is no possibility of any subsequent appeal or other judicial review (the "Settlement Effective Date" or "Effective Date"). In the event that the Court does not approve the Settlement, or if the final approval order is reversed on appeal, then there shall be no Settlement Effective Date and this Settlement Agreement shall become null and void.

**JURISDICTION**

14. The Court refers to and means the Superior Court of the State of California, County of Los Angeles (the "Court"), and includes any Judge or Department assigned to approve the Settlement pursuant to this Agreement. The Court has jurisdiction over the Parties and the subject matter of this Litigation. The Litigation includes claims that, while Defendant denies them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the applicable statutes. After the Court grants final approval of the Settlement ("Final Approval"), the Court shall retain jurisdiction of this Action pursuant to California Code of Civil Procedure section 664.6 solely for the purpose of interpreting, implementing, and enforcing this Settlement consistent with the terms set forth herein.

**AGREEMENT OF CONDITIONAL CLASS CERTIFICATION**

15. The Parties stipulate to the conditional certification of this Settlement Class solely for purposes of the Settlement only. This Agreement is contingent upon the preliminary and final approval and certification of the Settlement Class only for purposes of the Settlement. Should the Settlement not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to class certification as part of the Settlement shall have no bearing on, and shall not be admissible for any purpose, including but not limited to, in connection with, the issue of whether a class should be certified in a non-settlement context in the Litigation. Defendant expressly reserves its right to oppose class certification should this Settlement not become final.

**PRELIMINARY APPROVAL**

16. Plaintiff will bring a motion before the Court for an order preliminarily approving the Settlement, including the Notice as explained herein, and including a request for the Court to order the conditional certification of the Settlement Class for settlement purposes only ("Preliminary Approval"), which will be supported and not opposed by Defendant. The date that the Court grants Preliminary Approval of the Settlement will be the "Preliminary Approval Date." Class Counsel will prepare the Motion for Preliminary Approval. The Motion for Preliminary Approval will also include a request for the Court to preliminarily appoint Plaintiff's Counsel as Class Counsel, to preliminarily approve Plaintiff as the Class Representative, to appoint ILYM Group, Inc. as the Settlement Administrator, to

set a date for the Final Approval Hearing, and to seek such other orders from the Court as are necessary to obtain Preliminary Approval.

**STATEMENT OF NO ADMISSION**

17. Defendant denies any and all liability to Plaintiff and the Settlement Class upon any claim or cause of action. This Agreement does not constitute, and is not intended to constitute an admission by Defendant as to the merits, validity, or accuracy of any of the allegations made against it in the Litigation or of any liability, culpability or wrongdoing by Defendant or any of its agents or employees. Nothing in this Settlement shall be construed to be an admission by Defendant of any liability or wrongdoing as to each Plaintiff, the Settlement Class or any other person, and Defendant has denied and continues to deny each and all of the allegations, claims, and contentions alleged by Plaintiff in the Action. Defendant expressly denies and continues to specifically disclaim any such liability or wrongdoing, including specifically that is has violated any federal, state, or local law. Defendant contends that it has complied in good faith with all legal obligations, including all California wage and hour law and dealt fairly and legally with Plaintiff and the Settlement Class. Nonetheless, Defendant has concluded that further proceedings in the Action would be protracted and expensive, and that the Action, including any and all claims or causes of action which could have been brought, be fully and finally settled in the manner and upon the terms and conditions set forth in this Agreement in order to dispose of burdensome and protracted litigation. The Parties have entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks.

18. Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions, or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Agreement or the Settlement, is intended by the Parties to constitute, nor will any of the for the forgoing constitute, be introduced, be used or be admissible in any way in this Litigation or any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any state, local law, statute, ordinance, regulation, rule or any obligation or duty at law or in equity. The Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this Litigation or any other judicial, arbitral, administrative, investigative or other forum or proceeding, or to any agency, as purported

evidence of any violation of any state, local law, statute, ordinance, regulation, rule or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before the Court that has as its purpose the interpretation, implementation, or enforcement of this Agreement or any orders or judgments of the Court entered in connection with the Settlement.

19. None of the documents produced or created by Plaintiff or the Settlement Class Members in connection with the claims procedures or claims resolution procedures (including the Notice) constitutes, and is not intended to constitute, an admission by Defendant of any violation of any federal, state, local law, statute, ordinance, regulation, rule or any obligation or duty at law or in equity.

20. The Parties agree that class certification pursuant to California Code of Civil Procedure section 382 under the terms of this Agreement is for settlement purposes only. Nothing in this Agreement will be construed as an admission or acknowledgement of any kind that any class should be certified or given collective treatment in the Litigation or in any other action or proceeding. Further, this Agreement will not be admissible in any court or other tribunal regarding the propriety of class certification or collective treatment. In the event that this Agreement is not approved by the Court or is terminated, or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited or affected in any way any claims, rights or remedies in the Litigation, and Defendant will not be deemed to have waived, limited, or affected in any way any of its objections or defenses in the Litigation.

## TERMS OF SETTLEMENT

21. **Class Certification.** For settlement purposes only, the Parties stipulate that a class may be certified (the "Settlement Class Members"), as described in Paragraph 4 and 13 of this Agreement. The Parties agree that certification for settlement purposes under the lenient standard applied to settlements is in no way an admission that class certification is proper under the more stringent standard applied for litigation purposes, and that evidence of this limited Agreement for settlement purposes only will not be deemed admissible in this or any other proceeding. It is Defendant's position that if the Litigation were to be litigated, class certification would be inappropriate because, among other things, individual issues predominate. Furthermore, Defendant denies any liability or wrongdoing, and, by entering into this Settlement, does not admit to any violation of law.

22. **Settlement Amount**. Defendant's maximum non-reversionary payment of the Gross Settlement Amount under the Settlement is $225,000, from which payments will be as follows subject to the Court's approval: (1) up to one-third (1/3) or $75,000 in attorneys' fees to Class Counsel; (2) up to $25,000.00 in Class Counsel's reasonable litigation costs; (3) up to $10,000.00 as the Enhancement Award payment to Plaintiff; (4) up to $12,000.00 as third-party administration costs; (5) a payment to the LWDA in the amount of $3,750.000; (6) Payment of $1,250.00 to the PAGA Aggrieved Employees; and (6) the Net Settlement Payments to Settlement Class Members (other than Excluded Class Members). Defendant shall pay $100,000 of the Gross Settlement Amount, plus the additional amount to cover the Employer Taxes, immediately after the Parties' obtain preliminary approval of this settlement by the Court. Defendant shall pay the remaining $125,000, plus the additional amount to cover the Employer Taxes, in equal monthly installments for 12 months after the initial $100,000 has been paid and after the parties obtain final approval.

23. **Payment of Net Settlement Payments to Class Members.** After the Net Settlement Amount has been determined, and only after the Effective Settlement Date, Net Settlement Payments shall be made from the Net Settlement Amount to Settlement Class Members (other than Excluded Class Members). The value of each Class Member's claim shall be distributed on a pro rata basis based on his or her number of Compensable Workweeks as set forth below.

24. **Calculation of Payments to Class Members.** The Settlement Administrator shall have the authority and obligation to calculate the amounts of settlement payments to the Settlement Class Members in accordance with the methodology set forth in this Agreement and any Orders of the Court. Defendant will provide the Settlement Administrator with the data and necessary information for the Settlement Administrator to calculate the total number of Compensable Workweeks for each Class Member. The Compensable Workweeks for each Class Member will be added together to determine the total number of "Settlement Value Workweeks" for each Class Member and the total for the Class. If it is determined that the actual number of workweeks commencing March 2, 2018, through settlement approval exceeds 22,684 by more than ten percent (10%) (22,684 x 10% = 24,952 workweeks), Defendant shall have the option to either (1) increase the Gross Settlement Amount by a proportionate amount for each additional workweek beyond the ten percent (10%) threshold, or (2) end the release

period on the date the number of workweeks reaches 24,952. After the Net Settlement Amount is determined, the Settlement Administrator will divide the Net Settlement Amount by the total number of Settlement Value Workweeks for all Class Members of the Class ("Work Week Rate Amount") and then multiply this amount by each Settlement Class Member's total number of Settlement Value Workweeks to yield that employee's Net Settlement Payment or "Individual Settlement Payment" amount.

25. **Settlement Payment Allocation.** The amount paid to each Non-Exempt Settlement Class Member who has not opted-out of the Settlement shall be allocated as follows: ten percent (10%) shall be attributed to wages, and ninety percent (90%) shall be attributed to interest and penalties. The ten percent (10%) of the Net Settlement Payments to the Class Members that will be treated as payments in settlement of wage claims will be subject to W-2 reporting. The recipients of payments pursuant to this Agreement shall be exclusively responsible for all applicable tax obligations other than the employers' share of payroll taxes allocated to unpaid wages. Applicable tax deductions and payroll withholdings for Employee Taxes will be taken from this portion of the Net Settlement Payments. Defendant will be responsible to satisfy the Employer Tax obligations relating to the wage portion of the Net Settlement Payments prior to distribution of the settlement payments to the Settlement Class Members. The Settlement Administrator will issue a Form W-2 to each Settlement Class Member who has not opted-out of the Settlement reflecting the wage portion of each individual Net Settlement Payment. The Parties also agree that one hundred percent (100%) of the settlement payments to the PAGA Employees will be treated as payments in settlement of claims for penalties and interest sought in the Lawsuit.

26. **No Credit Towards Benefit Plans**. Neither the terms of this Settlement nor any of the amounts paid to Plaintiff or any Class Member shall have any effect on the eligibility or calculation of any employee benefits. The Parties agree that any Individual Settlement Payment amounts paid to Class Members under the terms of this Settlement do not represent any modification of any Class Member's previously credited hours of service or other eligibility criteria, and will not be utilized to calculate any additional benefits, vesting or credit under any employee pension benefit plan, employee welfare benefit plan or other program or policy sponsored by Defendant or any of its affiliates, including but not limited to any profit-sharing plans, pension plans, 401(k) plans, bonus plans, stock purchase plans, vacation plans, PTO plans, paid sick leave plans, or any other company sponsored plans or employee benefits.

Further, the amounts paid to Class Members shall not be considered wages, compensation or annual earnings for benefits in any year for purposes of determining any rights, eligibility, hours of service, benefit accruals, calculations, contributions or amounts to which any Class Member may be entitled with respect to an such employee pension benefit plan, employee welfare benefit plan or other program or policy sponsored by Defendant or any of its affiliates.

27. **Settlement Amount Funding and Settlement Payment Due Date.** Defendant will deposit the Gross Settlement Amount into a Qualified Settlement Fund (as defined below) established by the Settlement Administrator. Defendant shall deposit with the Settlement Administrator $100,000 of the Gross Settlement Amount, plus the additional amount to cover the Employer Taxes, immediately after the Parties' obtain preliminary approval of this settlement by the Court. Defendant shall then deposit the remaining $125,000, plus the additional amount to cover the Employer Taxes, in equal monthly installments for 12 months after the initial $100,000 has been paid and after the parties obtain final approval. The deposits shall be held in trust or escrow by the Settlement Administrator for the benefit of the Defendant pending its approval to release the settlement payments after the Effective Date. Disbursement shall only occur on or after the Effective Date.

**WAIVER, RELEASE AND DISMISSAL**

28. **Plaintiff's Civil Code section 1542 Release.** In light of the Class Representative Service Award and other consideration given, Plaintiff makes the additional following general release ("General Release") of all claims, known or unknown, that they have against Defendant. Plaintiff, both in his individual and representative capacity, on his behalf and on behalf of his respective heirs, successors, beneficiaries, assigns, agents, attorneys, representatives and other related persons and entities that may claim by, through or under them, in consideration for the amounts paid to Plaintiff under this Agreement, including any enhancement award that may be paid to Plaintiff, upon the Court's final approval of the Settlement, hereby fully and finally waives, releases, acquits and forever discharges Defendant (including the Released Parties) from all known and unknown claims he/she may have, whether brought or could have been brought, against Defendant of every nature or description whatsoever arising out of the Litigation, Plaintiff's employment with Defendant, Plaintiff's separation from employment, and his other dealings with Defendant. This General Release of claims includes

Covered Claims and claims released in this Agreement, and any and all known or unknown contract, tort, statutory, common law, constitutional, public policy, and other claims of any type whatsoever, including, without limitation: (i) any and all claims actually alleged or could have been alleged in connection with, or arising directly or indirectly out of or in any way connected with Plaintiff's employment with any Released Party; (ii) any and all claims relating to or arising from Plaintiff's relationship with any Released Party and the termination of that relationship; (iii) any and all claims for wrongful discharge of employment; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; negligent or intentional interference with contract or prospective economic advantage; and defamation; (iv) any and all claims against the Released Parties for any other tort, contract, common law, constitutional or other statutory claims, including, but not limited to, alleged violations of the California Labor Code or the federal Fair Labor Standards Act (except as prohibited by applicable law), the California Constitution, the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the California Family Rights Act, the California Business and Professions Code, the Private Attorney General Act, and any and all other federal, state and local laws, statutes, executive orders, regulations, and common law, along with all claims for attorneys' fees, costs and expenses (including any dispute over the non-withholding or other tax treatment of any of the proceeds received by Plaintiff as a result of this Agreement). Plaintiff also waives all rights under Section 1542 of the California Civil Code, which section reads as follows:

> **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.**

29. Plaintiff, in both his individual and representative capacity, agrees and acknowledges that he is not required to settle all claims at this time, but voluntarily choose to do so by entering into this Agreement.

30. **Release by Class Members.** Plaintiff, in both his individual and representative capacity, and every member of the Settlement Class (except those who timely opt out) will fully and forever completely and irrevocably release and discharge Defendant, and all of Defendant's past and present officers (including Nancy Giuliano), directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, (collectively the "Released Parties"), will release all causes of action and claims against Defendant that were alleged in the Action or reasonably could have been alleged based on the facts contained in the operative complaint, including but not limited to all of the following claims for relief: (1) Failure to Provide Required Meal Breaks; (2) Failure to Provide Required Rest Breaks; (3) Failure to Pay Overtime Wages; (4) Failure to Pay Minimum Wage; (5) Failure to Timely Pay Wages; (6) Failure to Pay All Wages Due to Discharged and Quitting Employees; (7) Failure to Maintain Required Records; (8) Failure to Furnish Accurate Itemized Statements; (9) Failure to Indemnify Employees For Necessary Expenditures Incurred In Discharge of Duties; and (10) Unfair and Unlawful Business Practices. (collectively, the "Released Claims"). The "Released Claims" for the Settlement Class Members expressly excludes all claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt, and claims outside of the Class Period. The Release only covers claims from March 2, 2018 to February 18, 2025 . The Release shall be fully binding on each and every Settlement Class Member, other than any Excluded Class Member.

The Final Approval Order shall enter judgment and shall incorporate the terms of this Paragraph and the Release. The Parties acknowledge that this Settlement, including the releases provided in this Paragraph, reflects a compromise of disputed claims. The Parties further acknowledge that the Release does not release Defendant from its obligations as established by this Agreement. Upon approval of this Agreement at the Final Approval Hearing, the Settlement Class Members further covenant not to sue the Released Parties for any and all claims released by each of them.

31. **Release by PAGA Employees:** All PAGA Employees will release Defendant and their past, present and/or future, direct and/or indirect, officers (including Nancy Giuliano), directors, members, managers, volunteers, employees, agents, representatives, independent contractors, attorneys,

insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers from all causes of action and claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (California Labor Code §2698 et. seq.) that were alleged in the operative complaint in the Action or reasonably could have been alleged based on the facts contained in the operative complaint in the Action, and/or the LWDA (PAGA) letter(s), including, but not limited to, all of the following claims for civil penalties under Labor Code section 2698, et seq., for: (1) Failure to Provide Required Meal Breaks; (2) Failure to Provide Required Rest Breaks; (3) Failure to Pay Overtime Wages; (4) Failure to Pay Minimum Wage; (5) Failure to Timely Pay Wages; (6) Failure to Pay All Wages Due to Discharged and Quitting Employees; (7) Failure to Maintain Required Records; (8) Failure to Furnish Accurate Itemized Statements; (9) Failure to Indemnify Employees For Necessary Expenditures Incurred In Discharge of Duties; and (10) Unfair and Unlawful Business Practices. The PAGA Release only covers claims during the PAGA Period.

32. In light of the binding nature of a PAGA judgment on non-party employees pursuant to *Arias v. Sup. Ct.* (*Angelo Dairy*) (2009) 46 Cal.4th 969 and *Cardenas v. McLane Foodservice, Inc.* (2011) 796 F.Supp.2d 1246, individuals otherwise meeting the definition of a Settlement Class Member who exclude themselves from the Settlement and are Aggrieved Employees shall nonetheless receive a payment for the amount of each such individual's estimated share of the Aggrieved Employees' portion of the PAGA Payment and shall have released PAGA claims.

33. **No Waiver as to Arbitration Agreements.** Defendant contends that most if not all Class Members are bound by arbitration agreements requiring individual adjudication of their claims and disputes against Giuliano-Pagano Corporation. Parties agree that nothing in this Agreement constitutes a waiver of these facts and Plaintiff acknowledges that he will not argue that any settlement and mediation communications or filings are considered a waiver of these facts as stated in this paragraph 33 herein. Parties further agree that if the settlement is not approved by the Court at the preliminary and final approval stages, then Defendant can assert the arbitration agreements as a defense without being subject to any waiver.

**SETTLEMENT ADMINISTRATOR**

34. ILYM Group, Inc. will serve as the Settlement Administrator for this Settlement, subject to the Court's approval. All settlement administration costs, in an amount to be approved by the Court but not to exceed $12,000.00, shall be paid out of the Gross Settlement Amount. The Settlement Administrator shall perform all of the duties as described in this Agreement, including those set forth in Paragraph 13.

35. Within ten (10) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will provide the Settlement Administrator with the dates of employment and for each Class Member and all other information necessary for the Settlement Administrator to calculate the number of Compensable Workweeks worked by each Class Member during the Class Period. At the same time, Defendant will provide the Settlement Administrator with current contact information (i.e., last known addresses, telephone numbers and Social Security numbers) for all Class Members (the "Class List"). The Class List contains confidential, personal and/or private information of the Class Members and will be transmitted via password protected means. The Settlement Administrator shall keep the Class List strictly confidential and shall not disclose the information to any other person or entity other than the Parties to this Agreement. Defendant further agrees to consult with the Settlement Administrator prior to the production of the Class List to ensure that the format will be acceptable to the Settlement Administrator.

36. Among its other duties as described in this Settlement, the Settlement Administrator shall publish and maintain a settlement website and provide counsel for the Parties with a weekly report showing the number of Opt-Outs and Objections received.

37. As set forth below, the Settlement Administrator shall obtain the best possible address for Class Members prior to the mailing. Incorrect address information for any of the Class Members shall, in no way, affect the scope and extent of any releases provided herein.

38. Within ten (10) calendar days of receipt of the Class List, the Settlement Administrator will mail the Notice to the Class Members as described below.

## NOTICE, OBJECTIONS AND EXCLUSION RIGHTS

39. Notice. The Notice the Settlement Administrator shall send to each of the Class Members will contain: (i) an estimated individual settlement payment, (ii) individual number of workweeks, (iii) individual number of pay periods, (iv) how to opt-out of the Settlement, and (v) how to object to the settlement Plaintiff and Defendant, through their respective attorneys, have jointly prepared a Notice, attached hereto as Exhibit 1 to this Agreement and incorporated herein by reference, subject to Court approval, which in substance the Settlement Administrator will provide to each of the members of the Settlement Class as follows.

40. The Settlement Administrator shall run all the addresses provided by Defendant through the United States Postal Service National Change of Address ("NCOA") database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information. In addition, and prior to mailing, the Settlement Administrator shall perform an Accurint (or substantially similar) in-depth skip trace in order to obtain the best possible address for Class Members prior to the mailing.

41. The Settlement Administrator shall mail the Notice to the members of the Settlement Class via first-class regular U.S. Mail using the most current mailing address information available, within ten (10) calendar days after receiving the Class List from Defendant. The Notice shall provide the members of the Settlement Class sixty (60) days' notice of all applicable dates and deadlines, with this period to begin running on mailing of the Notice by the Settlement Administrator.

42. The Notice will include an estimated calculation of the Class Member's estimated Compensable Workweeks and estimated share of the Net Settlement Amount.

43. If a Notice is returned from the initial notice mailing as undeliverable with a forwarding address provided by the United States Postal Service on or by the Response Deadline, the Settlement Administrator will promptly resend the Notice to that forwarding address along with a brief letter stating that the recipient of the Notice has until the original deadline set forth on the Notice, or ten (10) calendar days after the date of re-mailing of the Class Notice (whichever is later) to respond.

44. If a Notice is returned as undeliverable without a forwarding address from its first mailing, the Settlement Administrator shall undertake reasonable efforts to locate a current address,

including performing an Experian (or substantially similar) in-depth skip trace or mass search on LexisNexis databases based on set criteria. If the Settlement Administrator obtains a more current address, the Settlement Administrator shall resend the Notice to that address along with a brief letter stating that the recipient of the Notice has until the original deadline set forth on the Class Notice or ten (10) calendar days after the date of re-mailing of the Notice (whichever is later) to respond.

45. If any Notice is returned from any mailing and/or re-mailed, the Settlement Administrator will note for its own records and notify the Parties' Counsel of the date of such re-mailings as part of a weekly status report provided to the Parties.

46. No later than twenty-five (25) days prior to the Final Approval Hearing, the Settlement Administrator shall provide counsel for Defendant and Class Counsel with a declaration attesting to the completion of the Notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Notices, as well as the number of valid Opt-Outs, Objections and deficiencies which the Settlement Administrator received.

47. **Objections.** A Class Member who wishes to object to the Settlement must notify the Settlement Administrator of his or her objection, in writing, on or prior to the Response Deadline. The Settlement Administrator shall provide all objections as received to Class Counsel and Defendant's Counsel, as well as file all such objections with the Court. Excluded Class Members are not permitted to object to the Settlement. Any Objection to the Settlement must (i) clearly identify the case name and number ( *Manuel Arellano Martinez, et al v. Giuliano-Pagano Corportation*, (Los Angeles County Superior Court, Case No. 22STCV07482; (ii) set forth in writing the legal and factual grounds for the objection; (iii) include the address and phone number of the Class Member or counsel for the Class Member; (iv) be signed by the Class Member ; and (v) be submitted to the Settlement Administrator, along with all supporting papers. The Class Member may also appear personally or through an attorney, at his or her own expense, at the Final Approval hearing. However, it is not necessary for the Class Member or his or her attorney to appear at the Final Approval Hearing in order for the objection to be considered by the Court. No Class Member will be precluded from appearing at the Final Approval Hearing if he/she fails to submit an objection. Any attorney who represents a Class Member objecting to this Settlement must file a notice of appearance with the Court on or prior to the Response Deadline

and serve Class Counsel and Defense Counsel. Plaintiff and Defendant will be permitted to respond in writing to any such Objections no later than seven (7) calendar days before the Final Approval hearing.

48. If a Class Member objects to this Settlement, the Class Member will remain a member of the Settlement Class and if the Court approves the Settlement, the Class Member will be bound by the terms of the Settlement and Final Approval Order in the same way and to the same extent as a Settlement Class Member who does not object. The Court retains final authority with respect to the consideration and admissibility of any Objections. Provided that the Settlement Administrator mailed the Notice to a member of the Settlement Class, this deadline to file an Objection shall apply notwithstanding any assertion by any member of the Settlement Class of non-receipt of the Notice.

49. Class Members who fail to file and timely serve written Objections or appeared at the Final Approval Hearing in accordance with the procedures set forth in this Agreement have waived all objections to the Settlement and are forever foreclosed from making any objection to the Settlement or any aspect of the Settlement, whether by appeal or otherwise, and are similarly barred from ever asserting any of the Released Claims. Plaintiff waives any right to object to the Settlement, and hereby endorse the Settlement as fair, reasonable and adequate and in the best interests of the Settlement Class. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage any Class Member to opt out, submit written objections to the Settlement, or file any appeal from the Final Approval Order.

50. **Claim Disputes.** If any member of the Settlement Class fails to dispute the number of eligible Compensable Workweeks set forth in the Notice sent to such member, such person need not take further action in order to participate in the Settlement. If any member of the Settlement Class disputes the number of eligible Compensable Workweeks set forth in the Notice, or asserts that they should have been included as a member of the Settlement Class, such person must follow the directions in the Notice (copy of which is attached hereto), including preparing a statement setting forth the number of eligible Compensable Workweeks that such person believes in good faith is correct and stating that the member of the Settlement Class authorizes the Settlement Administrator to review the Settlement Class member's personnel file to determine such information and attaching any relevant documentation in support thereof. The member of the Settlement Class must mail the signed and

completed statement no later than sixty (60) calendar days after the date of the mailing of the Notice (or extension thereof pursuant to Paragraph 13.Y, or the number of eligible Compensable Workweeks set forth in the Notice will govern the Net Settlement Payments to the members of the Settlement Class).

51. Upon timely receipt of any such challenge, the Settlement Administrator, in consultation with Class Counsel and counsel for Defendant, will review the pertinent payroll records showing the dates the Settlement Class member was employed and the pertinent leave(s) taken, which records Defendant agrees to make available to the Settlement Administrator. After consulting with Class Counsel and counsel for Defendant, the Settlement Administrator shall compute the number of eligible Compensable Workweeks to be used in computing the Settlement Class member's pro rata share of the Net Settlement Amount. In the event there is a disparity between the dates a Settlement Class member claims he or she worked during the Settlement Period and the dates indicated by Defendant's records, Defendant's records will control unless inconsistent with paycheck stub(s) (or bona fide copies thereof) provided by the Settlement Class member, in which case the paycheck stub(s) will control. The Settlement Administrator's decision as to the total number of eligible Compensable Workweeks shall be final and non-appealable. The Settlement Administrator shall send written notice of the decision on any such claim to the Settlement Class member, to Class Counsel, and counsel for Defendant within ten (10) calendar days of resolution of the dispute.

52. **Opportunity to be Excluded**. In order for any Settlement Class member to validly exclude himself or herself from the Settlement Class and this Settlement (i.e., to validly "Opt-Out"), a timely submitted written Request for Exclusion must: (i) clearly identify the case name and number (*Manuel Arellano Martinez, et al v. Giuliano-Pagano Corporation, et al.*, (Los Angeles County Superior Court Case No. 22STCV07482 ; (ii) set forth in writing "I wish to exclude myself from the settlement, I understand I will not receive payment"; (iii) include the address and phone number of the Class Member or counsel for the Class Member; (iv) be signed by the Class Member; and (v) be submitted to the Settlement Administrator, postmarked on or before the Response Deadline. The Notice (a copy of which is attached hereto as Exhibit '1') shall contain instructions on how to Opt-Out, including the requirements to submit a valid Request for Exclusion as described in Paragraph 13 above. The date of the initial mailing of the Notice, and the date the signed Request for Exclusion was timely postmarked,

shall be conclusively determined according to the records of the Settlement Administrator. Any Settlement Class member who timely and validly requests exclusion from the Settlement Class and this Settlement will not be entitled to any individual settlement payment, will not be bound by the terms and conditions of this Settlement, and will not have any right to object, appeal, or comment thereon. Any member of the Settlement Class who does not timely file and mail notice of his or her request to be excluded from the Settlement Class will be deemed included in the Settlement Class in accordance with this Settlement. Plaintiff waives any right to be excluded from the Settlement Class. Within ten (10) calendar days of the expiration of the Response Deadline the Settlement Administrator will inform counsel for the Parties via email, of the number of valid Requests for Exclusions it received.

53. Neither Party, including their counsel, will encourage any Class Member to opt out of or object to this Settlement. If a Settlement Class Member contacts Class Counsel, Class Counsel may only discuss the terms of the Settlement and the Settlement Class Member's options, as stated herein, but may not make any recommendations to such Class Member to opt out.

54. Class Members who are PAGA Employees will not be able to exclude themselves from the PAGA Award.

55. Defendant maintains the right, in its sole discretion, to revoke the settlement and its Agreement to class certification prior to the final fairness hearing in the event that ten percent (10%) or more of Settlement Class Members opt out of the settlement.

56. **Qualified Settlement Fund.** The Gross Settlement Amount paid by Defendant shall be deposited into an account established by the Settlement Administrator as a "Qualified Settlement Fund" within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, *et seq.*, (the "Settlement Fund") and shall be administered by the Settlement Administrator pursuant to the final terms of the Settlement as approved by the Court. The Administrator shall request and obtain from the IRS an appropriate Tax ID for the Settlement Fund. The Administrator shall serve as a Trustee of the Settlement Fund and shall act as a fiduciary with respect to the handling, management and distribution of the Settlement Fund, including the handling of all tax-related issues, reporting and payments. The Administrator shall act in a manner necessary to qualify and maintain the

Settlement Fund as a Qualified Settlement Fund and the Parties shall cooperate to ensure such treatment and shall not take a position in any filing or before any tax authority inconsistent with such treatment.

57. Within 5 Calendar Days after the Effective Date**,** the Settlement Administrator will provide the Parties with an accounting of all anticipated payments from the Settlement Fund Account as specified in this Settlement Agreement and approved by the Court, including: (a) Plaintiff's Service Award; (b) the Class Counsel Fees Award; (c) the Class Counsel Costs Award; (d) Settlement Administration Costs; (e) the PAGA Award; and (f) Individual Settlement Payments and related taxes thereon.

58. Within 10 calendar days after the Settlement Effective Date, the Settlement Administrator shall cause the Individual Settlement Payments, Court approved Enhancement Award to Plaintiff, PAGA Award, Settlement Administration Costs, and Court approved attorneys' fees and costs to be paid as provided in this Agreement as approved by the Court. If a check is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address. If any settlement check is uncashed after 180 days it will become void and the Settlement Administrator will place a stop-payment on the check. On the back of each check the Settlement Administrator will include a pre-printed notice informing the Class Member that he or she has 180 days to cash the check or it will become void. The Settlement Administrator will also recalculate and correct any Employee Taxes withheld or Employer Taxes paid to adjust for the uncashed check. The residue, if any, including (1) funds from checks which were unable to be delivered due to the Settlement Administrator's inability to obtain a valid mailing address as set forth in this provision, (2) funds from checks that remain uncashed after 180 days from the date of the check, and (3) any related tax refunds or returns, will be delivered to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et seq*., for the benefit of those Settlement Class Members who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Settlement Class Members, whether or not they all cash their Settlement Checks.

**ATTORNEYS' FEES AND COSTS**

59. Plaintiff requests, and Defendant shall not oppose, an application by Class Counsel to the Court seeking an award of attorneys' fees not to exceed $75,000.00, which represents one-third (1/3) of the Gross Settlement Amount, to compensate Class Counsel for all past and future attorneys' fees necessary to prosecute, settle and administer the Litigation and this Settlement, including for the work performed and all work remaining to be performed in documenting the Settlement, securing the Court's approval of the Settlement, administering the Settlement, ensuring that the Settlement is fairly administered and implemented, and obtaining judgment, to be paid out of the Gross Settlement Amount and not from any additional payment by Defendant.

60. Additionally, Plaintiff requests, and Defendant shall not oppose, an application by Class Counsel to the Court seeking payment to Class Counsel of their reasonable litigation costs, in an amount not to exceed $25,000.00, which represents all past and future attorneys' costs and expenses necessary to prosecute, settle and administer the Litigation and implementing the terms of this Settlement incurred by Class Counsel, to be paid out of the Gross Settlement Amount and not from any additional payment by Defendant.

61. Any attorneys' fees or costs awarded to Class Counsel by the Court shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. The Parties further agree that this Settlement is not conditioned on the Court awarding the full amount of attorneys' fees and costs requested by Class Counsel and if the Court should approve a lesser percentage or amount of fees and/or costs than the amount that Class Counsel ultimately seeks, then the unapproved portion or portions shall become part of the Net Settlement Amount and shall be distributed to Class Members on a pro rata basis based on the total number of Compensable Workweeks. The Settlement Administrator will issue an IRS Form 1099 to Class Counsel with respect to the fees and costs awarded to Class Counsel.

**ENHANCEMENT AWARD TO PLAINTIFF**

62. Defendant shall not oppose an application by Plaintiff to the Court, and Plaintiff shall not seek or receive an aggregate amount in excess of $10,000.00 to be paid out of the Gross Settlement Amount, as an enhancement for their service as Class Representative and for his participation in and

assistance with the Litigation (the "Enhancement Award"), subject to approval by the Court and conditioned on Plaintiff's execution of the General Release as set forth in Paragraph 28 above, by Plaintiff's signing this Agreement, in addition to any payment they may otherwise receive as a Class Member. Any enhancement awarded to Plaintiff by the Court shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. Plaintiff understands and agrees that this Settlement is not conditioned on the Court awarding the full amount of the Enhancement Award requested by Plaintiff. The Settlement Administrator will issue an IRS Form 1099 to Plaintiff for his enhancement payment, and Plaintiff will be fully responsible for correctly characterizing this compensation for tax purposes and for paying any taxes owing on said amount.

**PAGA CIVIL PENALTIES**

63. Defendant shall pay a total amount of Five Thousand Dollars and Zero Cents ($5,000.00) from the Gross Settlement Amount in settlement of all claims for civil penalties asserted under the PAGA, as described in the Released Claims. Within 90 days after the Settlement Effective Date, the Settlement Administrator shall send an amount totaling 75% of the PAGA settlement amount (i.e., Three Thousand Seven Hundred Fifty Dollars and Zero Cents ($3,750.00) to the LWDA. The remaining 25% of the PAGA Payment One Thousand Two Hundred Fifty Dollars and Zero Cents ($1,250.00) shall distributed to the PAGA Aggrieved Employees who worked for Defendant between March 4, 2021, through February 18, 2025 on a pro-rata basis, based on their respective Compensable Workweeks. The Settlement Administrator shall responsible for calculating these payments using the same method outlined in Paragraph 24.

**TAX RESPONSIBILITY**

64. Neither Defendant nor Class Counsel are making any representations as to the tax treatment or legal effect of the payments called for under this Settlement, and Plaintiff and the Class Members are not relying on any statement or representation by Class Counsel or Defendant in this regard. Additionally, notwithstanding any prior agreement, practice or policy of Defendants or any Released Party to the contrary, Plaintiff and each Class Member shall be solely and fully responsible for any and all taxes under all federal, state and local tax laws with respect to the Individual Settlement Payment to be made to each Class Member, except for the Employee Taxes withheld by the Settlement

Administrator and the Employer Taxes to be paid by Defendant and the Settlement Administrator, following the Settlement Administrator providing Individual Settlement Payment information for each of the Class Members, from which the Defendant can pay the Employer Taxes due on the Individual Settlement Payments attributable to wages.

## COURT APPROVAL

65. This Agreement and the Settlement is contingent upon the Court granting Final Approval of the Settlement and entering the Final Approval Order. Plaintiff and Defendant agree to take all steps as may be reasonably necessary to secure both Preliminary Approval and Final Approval of the Settlement by the Court, to the extent not inconsistent with the terms of this Agreement and will not take any action adverse to each other in obtaining the Court's Final Approval of the Settlement in all respects. Plaintiff and Defendant expressly agree that they will not file any objection (as opposed to request for correction) to the terms of this Agreement of Settlement or assist, advise, counsel, or otherwise encourage any person or entity to file any such objection or opt out.

66. Promptly upon the execution of this Agreement, Plaintiff shall file a motion for Preliminary Approval of the Settlement (which Defendant shall not oppose). Specifically, Plaintiff will apply to the Court for the entry of an Order:

(a) That the proposed Settlement should be preliminary approved as fair, reasonable and adequate as to the Class;

(b) Approving as to form and content the proposed Notice to the Class;

(c) Directing the mailing of the Notice by first-class mail as to the Class Members;

(d) Preliminarily certifying the Class for purposes of Settlement only;

(e) Approving Class Counsel, Class Representative, and the Settlement Administrator; and

(f) Setting a Final Approval Hearing date with sufficient time to allow the Parties and the Settlement Administrator to complete the Notice process, calculate the settlement payments and tax and reporting obligations for each of the Class Members, and prepare and file the Motion for Final Approval.

67. After completion of the Notice process, Class Counsel shall be responsible for preparing and filing the Motion for Final Approval with the Court in sufficient time prior to the Final Approval Hearing date, including all necessary supporting Declarations, [Proposed] Orders, motions for attorneys' fees and costs, and the Enhancement Award, but all subject to final review and approval by Defendant prior to filing with the Court.

68. Counsel for the Parties shall have the right, subject to approval by the Court as to the new date, to continue or reschedule the original scheduled Final Approval Hearing date without providing any notice to the Class Members of the new date for the hearing, except for any Class Members who have timely submitted any Objections to the Settlement.

## MISCELLANEOUS PROVISIONS

69. This Agreement constitutes the entire agreement between Plaintiff and Defendant. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such prior or subsequent extrinsic oral or written representations or terms shall modify, vary or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by prior or subsequent extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State of California, both in its procedural and substantive aspects, without regard to its conflict of laws provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolve solely and exclusively in the Superior Court of the State of California for the County of Los Angeles, and Plaintiff and Defendant hereby consent to the personal jurisdiction of the Court over them solely in connection therewith. Plaintiff, on his own behalf and on behalf of the Settlement Class, and Defendant participated in the negotiation and drafting of this Agreement. As such, neither Plaintiff nor Defendant may claim that any ambiguity in this Agreement should be construed against the other.

70. The terms and conditions of this Agreement constitute the exclusive and final understanding and expression of all agreements between Plaintiff and Defendant with respect to the Settlement of the Litigation. The Agreement may be modified only by a writing signed by the original signatories and approved by the Court.

71. Plaintiff, Defendant and their respective attorneys shall proceed diligently to prepare and execute all documents, to seek the necessary Court approvals, and to do all things reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

72. The Agreement may be executed in one or more actual or non-original counterparts, all of which will be considered one and the same instrument and all of which will be considered duplicate originals.

73. Each individual signing below warrants that he or she has the authority to execute this Agreement on behalf of the party for whom or which that individual signs.

74. Plaintiff, members of the Settlement Class, Class Counsel and Defendant are direct beneficiaries of this Agreement, but there are no third-party beneficiaries.

75. To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

76. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendant and Class Counsel, on behalf of the parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

77. If the Court does not grant final approval of this Settlement, or if any part of the Court's final approval of this Settlement is reversed, then this Settlement will become null and void. In such case, the Settlement shall not be asserted, filed, published, used or be admissible for any purpose, in any subsequent proceedings in any Court or forum.

78. The Parties 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 released and discharged in this Settlement.

79. Nothing contained in this Settlement shall be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant. Each of the Parties has entered into this Settlement with the intention to avoid further disputes and litigation with the attendant

inconvenience and expense. This Settlement shall be inadmissible in evidence in any proceeding, except an action or proceeding to approve, interpret, or enforce its terms. In connection with any such proceeding to approve, interpret or enforce the Settlement, the Parties agree that this Settlement shall be binding and enforceable between them, and admissible in a Court of law, including for purposes of California Evidence Code section 1123.

80. In the event that one or more of the Parties institutes any legal action, or other proceeding against any other Party or Parties to enforce the provisions of this Settlement, or to declare rights or obligations under this Settlement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

81. This Settlement shall be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors, and assigns.

82. Neither Class Counsel nor defense counsel intend anything contained in this Agreement for Settlement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall it be relied upon as such.

83. **Waiver of Right to Appeal.** Defendant, Plaintiff and those Class Members who did not timely file and serve an opt out or objection to the Settlement or appear at the Final Approval Hearing, hereby waive any and all rights to appeal from the Final Order approving the settlement, including all rights to any post-judgment proceeding and appellate proceeding, such as motion to vacate or set-aside judgment, a motion for new trial, and any extraordinary writ, and the Final Order approving the settlement therefore will become final and non-appealable at the time it is entered. This waiver does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment proceedings.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below.

**[Signatures on Subsequent Page]**

Dated: 6/26/2025

By: Firmado por: Manuel Arellano Martinez
6E712E0774AB4BB...

Manuel Arellano Martinez

Dated: GIULIANO-PAGANO CORPORATION

By: GREGORY S RITMIRE
GREGORY S RITMIRE (May 7, 2025 18:13 PDT)

***THE FOLLOWING SIGNATURES REFLECT REVIEW AND APROVAL OF THE TERMS OF SETTLEMENT ONLY:***

Dated: 6/26/2025 SOLOUKI | SAVOY, LLP

By: Signed by: Grant Savoy
C25D546E4E6E4FE...

Grant Joseph Savoy, Esq.
Shoham J. Solouki, Esq.
Attorneys for Plaintiff MANUEL ARELLANO MARTINEZ and other Class Members Similarly Situated

Date: **KLINEDINST, P.C.**

By: Haera Fronjian
Haera Fronjian (May 8, 2025 11:18 PDT)

Gregory A. Garbacz, Esq.
Haera Fronjian, Esq.
Attorneys for Defendants GIULIANO-PAGANO CORPORATION and NANCY GIULIANO

# EXHIBIT 1