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SUPERIOR COURT FOR THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

JILL V. VILLA, individually and on behalf of all others similarly situated, Plaintiff, v. XANITOS, INC.; and DOES 1 through 20, inclusive, Defendants.	Case No. 22STCV09036 ASSIGNED FOR ALL PURPOSES TO HON. ELIHU M. BERLE, DEPT. 6 JOINT STIPULATION OF CLASS ACTION AND PRIVATE ATTORNEY GENERAL ACT SETTLEMENT AND RELEASE
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Subject to the approval of the Court, this Joint Stipulation of Class Action and Private Attorney General Act (“PAGA”) Settlement and Release (“Settlement”) is made and entered into by and between Plaintiff Jill V. Villa (“Plaintiff”), individually and as the representative of the Participating Class Members, as defined below, on the one hand, and Defendant Xanitos, Inc. (“Defendant”), on

the other hand. The Class (as defined below) and Defendant are jointly referred to herein as the “Settling Parties” and individually referred to herein as a “Settling Party.”

DEFINITIONS

In addition to the other terms defined elsewhere in this Settlement, the terms below have the following meanings in this Settlement:

I. DEFINITIONS

A. “Action” means the civil actions entitled *Jill V. Villa v. Xanitos, Inc.* Los Angeles Superior Court Case Nos.22STCV09036 and 22STCV16739, as well as the PAGA exhaustion letter Plaintiff’s counsel submitted to the Labor Workforce Development Agency on March 15, 2022, LWDA-CM-873503-22.

B. “Class Counsel” means Plaintiff’s attorneys Samuel Wong, Kashif Haque, Jessica L. Campbell, of Aegis Law Firm, PC.

C. “Class Counsel Fees and Expenses” means the total amount of attorneys’ fees, litigation costs, and expenses awarded to Class Counsel by the Court to compensate Class Counsel for their representation of the Class in the Action, including pre-filing investigation, filing of the Action, all related litigation activities including discovery, mediation, the motion for class certification, this Settlement, and all post-Settlement compliance procedures, including, but not limited to, any counsel costs and fees association with any objections or appeals regarding the Settlement.

D. “Class” or “Class Member(s)” means all current and former non-exempt employees of Defendant in California who worked during the Class Period.

E. “Class Period” means March 15, 2018 through April 27, 2024.

F. “Class Representative Service Award” means the amount awarded by the Court to the Class Representative pursuant to Section III (D).

G. “Class Representative” or “Plaintiff” mean Jill V. Villa.

H. “Court” means the Superior Court of California for the County of Los Angeles.

I. “Defendant’s Counsel” means Jody A. Landry of Littler Mendelson, PC.

J. “Effective Date” of the Settlement will be when the final approval of the settlement can no longer be appealed. Defendant shall fund the payments due under this Settlement within sixty

(60) days after the Effective Date., subject to the exception that the payment cannot be funded any earlier than July 1, 2025.

K. “Final” means that the Settlement has been finally approved by the Court without material modification and either: (i) if there are no objections, or if an objection(s) is made and overruled, 61 days from the date the order for final approval is issued; or (ii) if objections are made, and an appeal is filed, the day after the Judgment is affirmed or the appeal, review or writ is dismissed or denied, and the Judgment is no longer subject to further judicial review.

L. “Final Approval Hearing” means the hearing to be conducted by the Court to determine whether to finally approve and implement the terms of this Settlement.

M. “Judgment” means the judgment entered by the Court after it grants final approval of this Settlement.

N. “Maximum Settlement Amount” means the maximum potential value of the settlement is One Million Three Hundred and Fifty Thousand Dollars (\$1,350,000.00). The Maximum Settlement Amount is the maximum amount Defendant can be required to pay under this Settlement, subject to pro rata increase as provided below, including: (1) Payments to the Class Employees for their share of the Net Settlement Amount; (2) Payments to the PAGA Employees of their share of the Net Settlement Amount; (3) Counsels’ Attorneys’ Fees; (4) Counsels’ Litigation Costs and Expenses; (5) Settlement Administration Costs; (6) payment of a Service Award to Plaintiff; (7) the payment to the LWDA of its share of Net Settlement Amount; and (8) employee side payroll taxes. Defendant will pay the employer side of the payroll taxes separately.

O. “Net Settlement Amount” means the Maximum Settlement Amount *minus* the sum of: (1) Counsels’ Fees; (2) Counsels’ Expenses (3) the Settlement Administration Costs; and (4) Plaintiff’s Service Award for being the Class Representative. Out of the Net Settlement Amount, \$100,000 is designated as the PAGA Payment, the LWDA will be paid 75% of the PAGA Payment and the remaining 25% of the PAGA Payment (“PAGA Employee Fund”) will be paid to PAGA Employees as set forth below. The remainder of the Net Settlement Amount(“Class Employee Fund”), estimated to be \$737,500, will be paid to the Class Employees as outlined below.

P. “Participating Class Member(s)” means Class Members who do not submit a timely and valid request to opt-out of the Settlement.

Q. “Parties” means the Plaintiff and Defendant.

R. “PAGA Employees” means all current and former non-exempt employees of Defendant in California who worked during the PAGA Period.

S. “PAGA Period” is the time period of March 15, 2021 through April 27, 2024.

T. “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.

U. “Released Parties” means Xanitos, Inc. as well as its parent, subsidiaries, assign, other related organizations, insurers, officers, directors and management employees.

V. “Settlement Administrator” means Phoenix Settlement Administrators, so long as they are appointed by the Court to administer the settlement of this Action under the terms of this Settlement.

W. “Settlement Administration Costs” means all fees and costs owed to the Settlement Administrator in connection with administering the settlement in this Action under the terms of this Settlement.

X. “Settlement Share” means each Class Member’s pro rata share of the Net Settlement Amount which is determined by the process described in Section III(F).

II. RECITALS

A. On March 15, 2022 Plaintiff filed her class complaint commencing the Action in the Court. On March 15, 2022 Plaintiff’s counsel sent a letter to the LWDA to exhaust her remedies under PAGA. On May 20, 2022 Plaintiff filed a separate lawsuit in the Los Angeles Superior Court seeking penalties under PAGA. On or about December 6, 2022 the Court deemed the two matters related. These two matters are referred to collectively herein as the “Action”. Plaintiff contends, by way of the Action, that Defendant violated California’s wage and hour laws with respect to Plaintiff and Class Members by, *inter alia*, failure to pay the required minimum wage and overtime for all time worked, failing to properly provide meal periods or pay a premium in lieu thereof, failing to properly authorize and permit rest breaks or pay a premium in lieu thereof, failure to timely pay wages at termination,

1 failing to provide compliant wage statements, failure to reimburse expenses, thereby also violating
2 California Business & Professions Code section 17200, et seq. and seeks penalties under PAGA.

3 **B.** On February 20, 2024 the Settling Parties attended mediation with Jill R. Sperber, an
4 experienced wage and hour class action and PAGA mediator. After lengthy negotiations that occurred
5 during the mediation, during which the Settling Parties, through their counsel, recognized the burdens
6 and risk of continuing with the litigation, the Settling Parties reached an agreement to settle and resolve
7 the Action and Released Claims.

8 **C.** The Settlement represents a compromise and settlement of highly disputed claims.
9 Nothing in the Settlement is intended, or may be construed, as an admission by Defendant that any of
10 the claims alleged in the Action have merit, or that Defendant bears any liability to the Class Members
11 on those claims, nor as an admission by the Class Members that Defendant's defenses in the Action
12 have merit.

13 Based on these Recitals, the Settling Parties hereby agree as follows.

14 **III. SETTLEMENT TERMS AND CONDITIONS**

15 **A. Maximum Settlement Amount.** In order to settle the Action and Released Claims,
16 Defendant agrees to pay the Maximum Settlement Amount. The Maximum Settlement Amount is
17 inclusive of all payments described in Section I(N). Under no circumstances shall Defendant be
18 required to pay more than the Maximum Settlement Amount, other than the amount of employer-side
19 payroll taxes owed on the wage portion of the Settlement Shares ("Employer Taxes"), unless the
20 provisions of section III(P)(3) are triggered. If that occurs then Defendant will increase the Maximum
21 Settlement amount as outlined. Defendant shall pay the Employer Taxes separately and in addition to
22 the Maximum Settlement Amount.

23 **B. Class Counsel Fees And Expenses.** Defendant and its counsel shall not oppose the
24 application to the Court for an attorney's fees award of up to \$450,000.00, which is one-third of the
25 Maximum Settlement Amount and reimbursement of litigation costs and expenses of up to Thirty
26 Thousand Dollars and No Cents (\$30,000). The Settlement Administrator shall issue an IRS Form
27 1099 to Class Counsel with respect to the attorneys' fees and costs awarded to them. Defendant's
28 agreement not to oppose a motion for attorneys' fees or a bill of costs for the aforementioned amounts

1 should not be construed as approval or endorsement by Defendant of the amount sought. Whatever
2 amount of Class Counsel Fees and Expenses that the Court approves shall be paid from the Maximum
3 Settlement Amount. Should the Court approve and award less than the amount provided for herein,
4 the difference shall be included in the Net Settlement Amount.

5 **C. LWDA Payment.** Settling Parties agree that the amount of \$100,000 of the Maximum
6 Settlement Amount is deemed payment for penalties under PAGA (“PAGA Penalties”), of which 75%
7 shall be paid to the Labor and Workforce Development Agency (“LWDA Payment”) and the
8 remaining 25% shall be distributed to the PAGA Employees pursuant to the formula in Section
9 III(F)(3).

10 **D. Class Representatives Service Award.**

11 1. Plaintiff shall request, and Defendant shall not oppose, an incentive payment
12 not to exceed \$10,000 for the Class Representative in exchange for a full release, as further discussed
13 below. The Class Representative’s Service Award is intended as reasonable compensation for the
14 time and effort expended by her as Class Representative and in connection with the initiation and
15 maintenance of this Action. The Class Representative’s Service Award shall be paid from the
16 Maximum Settlement Amount, and shall be paid in addition to whatever payment Plaintiff is otherwise
17 entitled to as a Participating Class Member. The Class Representative’s Service Award shall be
18 reported to the taxing authorities by means of an IRS Form 1099. The amount of the Class
19 Representative’s Service Award is left to and within the Court’s sole discretion. Should the Court
20 approve and award less than the amount provided for herein, or not at all, the difference shall be
21 included in the Net Settlement Amount. The Settling Parties agree that the approval, and amount, of
22 any Class Representative’s Incentive Award in this Action shall be in the Court’s sole discretion and
23 not subject to any appeal by Plaintiff who is the sole recipient of any approved Class Representative’s
24 Service Award. The Class Representative will provide a full release, with a 1542 waiver, in exchange
25 for this payment as further discussed below. This Settlement is not contingent on Plaintiff’s receipt
26 of any Service Award out of the Maximum Settlement Amount.

27 2. Plaintiff acknowledges and agrees that Defendant and its attorneys have made
28 no representations or warranties regarding the tax consequences of payment of the Class

1 Representative's Service Award, and Plaintiff has not relied on any such representations or warranties.
2 Plaintiff further agrees to pay and bear sole responsibility for all taxes, liens, levies, encumbrances,
3 interest, and penalties that may be due or payable to any taxing authority as a result of payment of any
4 Class Representative Service Award. Furthermore, Plaintiff agrees to defend and indemnify
5 Defendant and the other Released Parties in connection with any taxes, fines, interest or penalties
6 incurred as a result of any failure by Plaintiff to pay taxes due, if any, on the Class Representative's
7 Service Award paid pursuant to this Agreement.

8 **E. Settlement Administration Costs.** Settling Parties selected Phoenix Settlement
9 Administrators. to act as the Settlement Administrator and it is estimated that the fees, expenses, and
10 costs for administration of the terms of this Settlement shall not exceed \$22,500. All of the Settlement
11 Administration Costs shall be paid from the Maximum Settlement Amount upon completion of all
12 duties required to be performed by the Claims Administrator under the terms of this Settlement, or as
13 otherwise required by the Court, subject to the "not to exceed" quote from the agreed upon Settlement
14 Administrator. Should the Court approve and award less than the amount provided for herein, or not
15 at all, the difference shall be included in the Net Settlement Amount.

16 **F. Settlement Shares to Class Members.**

17 1. Under the Settlement, each Participating Class Member shall be entitled to
18 payment of a pro rata portion of the Net Settlement Amount (i.e., his or her Settlement Share). The
19 amount that each Class Member shall be eligible to receive under the Settlement shall be determined
20 by converting the Class Employee Fund into a Workweek Value. The Workweek Value will be
21 established by dividing the Class Employee Fund by all workweeks for the Participating Class
22 Members during the Class Period based on Defendant's pay records, and excluding any full workweek
23 during with a Participating Class Member was on a leave of absence. Defendant will provide this
24 information with the Class Data List. The Individual Settlement Share for each Participating Class
25 Member will be determined by multiplying the Workweek Value by each Participating Class
26 Member's individual workweeks.

27 2. Each Settlement Share of the Class Employee Fund shall be apportioned as
28 follows: 20% as wages (the "Wage Component") and 80% for interest, penalties, and other non-wage

1 damages (the “Non-Wage Component”). Each Settlement Share shall be subject to reduction for all
2 employee’s share of taxes and withholdings on the Wage Component and shall be reported on IRS W-
3 2 forms, and the net payment will be referred to as “Individual Settlement Payment(s).” No reductions
4 will be made to Settlement Shares for any taxes or withholding in connection with the Non-Wage
5 Component, and the Non-Wage Component shall be reported on IRS 1099 forms. All Class Members
6 covered by this Settlement agree that they are not relying on any representations regarding the tax
7 allocation or treatment of any amounts paid to them under the terms of this Settlement and agree to
8 hold Defendant and the other Released Parties harmless for any and all tax consequences relating to
9 the allocation of the payments made under this Settlement.

10 3. Each PAGA Employees’ pro rata share of the PAGA Employee Fund
11 (“Individual PAGA Settlement Share”) will be determined by converting the portion of the PAGA
12 Employee Fund payable to the PAGA Employees into a Pay Period Value. The pay periods actually
13 worked by PAGA Employees as established by Defendant’s records, excluding pay periods when a
14 PAGA Employee was on a leave, during the PAGA Period will be used to make this calculation.
15 Defendant will provide this information with the Class Data List. The Individual PAGA Settlement
16 Share for each PAGA Employee will be determined by multiplying the Pay Period Value by each
17 PAGA Employee’s individual pay periods. All payments are for penalties and will be reported to the
18 PAGA Employees on IRS Form 1099.

19 **G. Distributions.**

20 1. Within ten business days of the Effective Date, the Settlement Administrator
21 shall provide Class Counsel and Defendant’s Counsel with the account information so that Defendant
22 can wire the Maximum Settlement Amount and the Employer Taxes, and Defendant shall wire said
23 amounts within fifteen (15) business days of the Effective Date, but in no event will Defendant be
24 required to fund the settlement prior to July 1, 2025.

25 2. The Settlement Administrator shall distribute Individual Settlement Payments
26 to Participating Class Members, the payment to the Labor and Workforce Development Agency, the
27 Court-approved Class Representative’s Service Award to Plaintiff and Court-approved Class Counsel
28

1 Fees and Expenses to Class Counsel, within ten (10) business days of receipt of payment from
2 Defendant pursuant to this Section.

3 3. Individual Settlement Payment checks issued to Participating Class Members
4 shall remain valid for a period of 180 calendar days after they issue, and shall be cancelled thereafter.
5 Uncashed checks will be sent to the Controller of the State of California to be held pursuant to the
6 Unclaimed Property Law, California Code of Civil Procedure Section 1500 et seq. in the name of the
7 individual to whom the uncashed check was addressed, for the benefit of those individuals who did
8 not cash their checks until such time as they claim their property.

9 **H. Payments To Class Do Not Trigger Additional or Derivative Payments.** It is
10 expressly understood and agreed that the receipt of payments under the Settlement shall not entitle
11 Plaintiff or any Participating Class Member to additional or derivative compensation or benefits under
12 any of Defendant's compensation or benefit plans or agreement in place during the period covered by
13 the Settlement, nor shall it entitle Plaintiff or any Class Member to any increased retirement, 401k
14 benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that
15 the payments provided for in this Agreement are the sole payments to be made by Defendant to
16 Plaintiff and Participating Class Members, and that Plaintiff and Participating Class Members are not
17 entitled to any additional or derivative compensation or benefits as a result of having received said
18 payments (notwithstanding any contrary language or agreement in any benefit or compensation plan
19 document that might have been in effect during the period covered by this Settlement).

20 **I. Release of Claims.**

21 1. Participating Class Members Released Claims. Upon the Effective Date,
22 Defendant and the other Released Parties shall be entitled to a release from the Plaintiff and the Class
23 Members who do not opt, for all of the Released Claims which occurred during the Class Period.
24 "Released Claims" means all claims for violations of the following Labor Code sections that were
25 actually alleged or that could have been alleged in the Action by Plaintiff, on behalf of herself and the
26 Class Employees for the entire Class Period, as well as any and all wage and hour claims and that were
27 asserted or could have been asserted based on the factual or legal allegations contained in Plaintiff's
28 First Amended Complaint, arising at any time during the Class Period, including but not limited to:

(a) failure to pay all wages owed, whether due to alleged off the clock work, rounding, failure to correctly calculate the regular rate or any other theory of liability for the underpayment of the minimum wage or overtime (b) failure to provide duty-free meal periods or pay premiums at the regular rate of pay in lieu thereof; (c) failure to authorize and permit rest period or pay premiums at the regular rate of pay in lieu thereof; (d) failure to provide accurate wage statements; (e) waiting time penalties; (f) unfair business practices based on the allegations in the Complaint, and claims for violation of the provisions of the applicable Wage Orders regarding minimum wage, overtime, and meal periods and rest periods, as well as allegations regarding the late payment of final wages, inaccurate wage statements; (g) claims for the attorney's fees and costs incurred in the prosecution of this Action on behalf of the Class Employees; (h) any other claims, remedies, penalties, or interest that could have been pled based on the facts alleged in the Complaint; and (i) all claims that Plaintiff and/or the Class Employees may have against the Released Parties relating to: (1) the payment, taxation, and allocation of attorney's fees and costs to Plaintiff's Counsel pursuant to this Settlement Agreement; and (2) the payment, taxation, and allocation of Plaintiff's Payment pursuant to this Settlement Agreement. The release of the Released Claims shall be effective as to the entire Class Period defined above. The release of the Released Claims expressly excludes all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, and California class claims outside of the Class Period. Participating Class Members may discover facts in addition to those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, Participating Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all of the Released Claims, without regard to the subsequent discovery or existence of such different or additional facts. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties that seeks recovery for any of the Released Claims. It is the intent of the Parties that the Judgment entered by the Court shall have full *res judicata* effect and be final and binding upon Participating Class Members regarding the Released Claims.

2. Complete And General Release By Class Representative. Plaintiff understands that she may hereafter discover facts in addition to or different from those Plaintiff now knows or believes to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, shall be deemed to have, and by operation of the contemplated final judgment shall have, fully, finally, and forever settled and released any and all of the Released Claims, as well as any other known or unknown, suspected or unsuspected, contingent or non-contingent claims, which now exist, or heretofore have existed, upon any theory of law or equity now existing, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law, including but not limited to the Fair Employment and Housing Act, or rule, without regard to the subsequent discovery or existence of such different or additional facts. In exchange for the consideration provided to Plaintiff under the Settlement, he shall waive any and all rights Plaintiff may have under Civil Code section 1542. Section 1542 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.” Plaintiff understands that he is providing a general release of known and unknown claims to Defendant and the Released Parties that is effective when the Court grants final approval of the Settlement and Defendant funds the Settlement.

3. Release of PAGA Claims By State of California and PAGA Employees. Upon the Effective Date, Defendant and the other Released Parties shall be entitled to a release from the Plaintiff, the State of California, and all PAGA Employees with respect to the PAGA Released Claims which occurred during the PAGA Period. “PAGA Released Claims” means (a) all claims for civil penalties under PAGA for alleged violations of the following Labor Code sections that were actually alleged or that could have been alleged in the Action or Plaintiff’s PAGA Notice by Plaintiff, on behalf of herself, the State of California, and the PAGA Employees, for the entire PAGA Period: California Labor Code sections 201, 202, 203, 204, 210, 212, 213, 225.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198; (b) claims for the attorney’s fees and costs incurred in the prosecution of this Action on behalf of the PAGA Employees; (c) any other claims for PAGA penalties that could have been plead based on the facts alleged in the Action; and (d) all claims

1 that Plaintiff, and/or the PAGA Employees may have against the Released Parties relating to: (i) the
2 payment, taxation, and allocation of attorney's fees and costs to Plaintiff's Counsel pursuant to this
3 Settlement Agreement; and (ii) the payment, taxation, and allocation of PAGA Payments pursuant to
4 this Settlement Agreement. The release of the PAGA Released Claims shall be effective as to the
5 entire PAGA Period defined above. It is the intent of the Parties that the Judgment entered by the
6 Court shall have full *res judicata* effect and be final and binding upon Plaintiff, the state of California
7 and the PAGA Employees regarding the PAGA Released Claims.

8 4. Release By Class And PAGA Employees. Upon the Effective Date, Plaintiff, on behalf
9 of herself and all Class Employees, release the Released Parties from the Class Released Claims. Upon
10 the Effective Date, defined below, Plaintiff, on behalf of herself, the State of California, and all PAGA
11 Employees, release the Released Parties from the PAGA Released Claims. Both PAGA Employees
12 and/or Class Employees may discover facts in addition to those they now know or believe to be true
13 with respect to the subject matter of the Class or PAGA Released Claims, but upon the Effective Date,
14 PAGA Employees and Class Employees shall be deemed to have, and by operation of the Settlement
15 Approval order shall have, fully, finally, and forever settled and released any and all of the Class or
16 PAGA Released Claims, without regard to the subsequent discovery or existence of such different or
17 additional facts. PAGA Employees and Class Employees agree not to sue or otherwise make a claim
18 against any of the Class or PAGA Released Parties that seeks recovery for any of the Released Claims.
19 It is the intent of the Parties that the Settlement Approval order entered by the Court shall have full
20 *res judicata* effect and be final and binding upon PAGA Employees and Class Employees regarding
21 the Released Claims

22 **J. Motion For Preliminary Approval.**

23 1. Class Counsel will file an unopposed motion with the Court (the "Preliminary
24 Approval Motion") seeking an order approving the Settlement; setting a date for the Final Approval
25 Hearing; approving the distribution of the Notice of Class Action Settlement (the "Class Notice") in
26 substantively the form attached hereto as "Exhibit A"; and approving the procedures and deadlines
27 for disputing Pay Periods, opting-out of the Settlement, and objecting to the Settlement. Defendant's
28 Counsel will either not respond or will file a notice of non-opposition to the motion.

2. At the hearing on the Preliminary Approval Motion, the Settling Parties will jointly appear, and support the granting of the motion, and submit a proposed order granting preliminary approval of the Settlement, approving the Class Notice, and setting a Final Approval Hearing (the “Proposed Order”). The Proposed Order to be submitted to the Court in substantially the form that is attached hereto as “**Exhibit B.**”

3. Should the Court, after a reasonable opportunity to cure and remedy any stated deficiencies, ultimately decline to grant preliminary approval of the Settlement as proposed by the Settling Parties, then the Settlement is void for lack of a condition precedent of the Settlement and the Settling Parties will revert to their respective positions.

K. Mailing Of Class Notice To Class Members.

After the Court enters its order granting preliminary approval of the Settlement, all Class Members will be provided with the Class Notice by the Settlement Administrator as follows:

1. Within twenty (20) business days after the Court grants preliminary approval of the Settlement, Defendant shall provide to the Settlement Administrator the last-known contact information that it has for the Class Members, including their full name, mailing addresses, telephone numbers, Social Security numbers, start and end dates of employment, and the number of Workweeks during the Class Period and the Number of Pay Periods during the PAGA Period (“Class Data List”). All data and information provided to the Settlement Administrator and Class Counsel by way of the Class Data List shall be treated as confidential and shall not be disclosed to anyone, except as may be required to applicable tax authorities, pursuant to Defendant’s express written consent, by order of the Court, or to carry out the reasonable steps described in this Settlement to locate missing Class Members.

2. Within fourteen (14) calendar days after receiving the Class Data List from Defendant, the Settlement Administrator shall mail the Class Notice to all identified Class Members via first-class U.S. Mail, using the last known address information provided by Defendant, unless such address is modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement. Prior to completing this mailing, the Settlement Administrator shall perform a National Change of Address (“NCOA”) search to confirm the validity

1 of and update Class Members' mailing addresses.

2 3. If any Class Notice is returned as undeliverable with a forwarding address
3 within thirty (30) calendar days of the mailing of the Class Notice, the Settlement Administrator shall
4 have five (5) calendar days to re-mail the Class Notice to the forwarding address. If any Class Notice
5 is returned as undeliverable without a forwarding address within thirty (30) calendar days of the
6 mailing of the Class Notice, the Settlement Administrator shall have five (5) calendar days from receipt
7 of the returned Class Notice to search for a more current address for the Class Member and to re-mail
8 the Class Notice to the Class Member. This inquiry shall include a skip-trace search. The Settlement
9 Administrator shall be responsible for taking all reasonable steps, consistent with its agreed upon job
10 parameters, Court orders and fee, according to the deadlines set forth in this Settlement, to administer
11 the Settlement, including, *inter alia*, to tracking all undelivered mail, performing an address search for
12 all mail returned without a forwarding address, and promptly re-mailing the Class Notice to Class
13 Members as set forth herein. If the Class Notice is re-mailed, the Claims Administrator shall note for
14 its own records the date and address of each such re-mailing and so notify Class Counsel and
15 Defendants' counsel. The obligation to trace and resend returned Class Notices shall cease after two
16 mailings or thirty (30) calendar days after the initial mailing, whichever occurs first. The Response
17 Deadline shall be either the original Response Deadline or fifteen (15) calendar days after the
18 remailing of a Class Notice in accordance with the Agreement, whichever is later.

19 4. The Settlement Administrator shall provide weekly status reports to counsel for
20 the Settling Parties, including: (a) the number of Class Notices that it has mailed; (b) the number of
21 objections, if any are received; (c) the number of disputes of pay periods, if any are received; and (c)
22 the number of requests to opt-out of the Settlement, if any are received.

23 5. No later than ten (10) business days after the Response Deadline, the Settlement
24 Administrator shall provide Class Counsel and Defendant' counsel, a declaration for filing with the
25 Court in support of Plaintiff's motion for final approval of the Settlement, setting forth its due diligence
26 and compliance with its obligations under this Settlement.

L. Opt-Outs and Objections To Settlement.

Class Members are not required to sign a claim form to participate in the Settlement. Class Members may opt out of the Settlement or submit objections to the Settlement pursuant to the following procedures:

1. The Class Notice shall provide that Class Members who do not want to participate in the Settlement may exclude themselves by submitting a written request seeking to opt-out of the Settlement (“Opt-Out Notice”) to the Settlement Administrator not later than sixty (60) calendar days after the date that the Settlement Administrator first mails the Class Notice (“Response Deadline”). An Opt-Out Notice must: (a) contain the full name and address of the person requesting to opt-out; (b) be signed by the person requesting to opt-out; (c) reference the Action by its name; and (d) contain a statement clearly indicating that the person submitting the request seeks to be excluded from the Settlement. If the Opt-Out Notice does not contain the information listed in (a)-(d) or is not returned to the Settlement Administrator postmarked by the Response Deadline, it shall not be deemed timely and valid. The date of the postmark on the return mailing envelope shall be the exclusive means used to determine whether the Opt-Out Notice has been timely submitted. Any Class Member who submits a timely and valid Opt-Out Notice shall not be entitled to any recovery under the Settlement and shall not be bound by the terms of the Settlement, and shall not have any right to object, appeal, or comment thereon. The submission of an Opt-Out Notice shall not impact a PAGA Employee’s entitlement to their Individual PAGA Settlement Share. Class Members who fail to submit a timely and valid Opt-Out Notice shall be Class Members bound by all terms of the Settlement and the contemplated Judgment if the Settlement is granted final approval by the Court. No later than ten (10) business days after the Response Deadline, the Settlement Administrator shall provide Class Counsel and Defendant’s Counsel with a complete list of all Class Members who have submitted timely and valid Opt-Out Notices, including their full names.

2. The Class Notice shall provide that Participating Class Members (i.e., Class Members who are not seeking to opt out of the Settlement) who wish to object to the Settlement must submit to the Settlement Administrator a written statement explaining their objection to the Settlement no later than the Response Deadline. Alternatively, or in addition to a written objection, Class

Members may appear at the Final Approval Hearing to make an oral objection. If a Class Member opts out of the Settlement, they cannot object to the Settlement.

3. A Class Member who does not make an oral objection at the Final Approval Hearing or does not submit a written objection in the manner and by the Response Deadline specified above shall be deemed to have waived all objections and shall be foreclosed from making any objections to the Settlement, whether by appeal or otherwise.

4. If a Class Member who has timely submitted an objection to the Settlement files a Notice of Appeal of the contemplated Judgment within the time period prescribed by law, Defendant shall not be required to fund any portion of the Maximum Settlement Amount, and the Settlement Administrator shall not distribute or pay any monies until the appeal(s) are finally resolved in favor of the Settlement or dismissed with prejudice.

5. The Parties agree that there is no statutory right for any PAGA Employee to object, opt out or otherwise exclude himself or herself from the PAGA part of the Settlement. If a Class Member opts out, and is also a PAGA Employee, s/he is still covered by the PAGA portion of the Settlement. Except as otherwise stated, Plaintiff shall vigorously defend against any attempt by any PAGA Employee or by any entity or agency to intervene in this matter or object to/opt-out of this settlement. Further, there is no right or opportunity for any PAGA Employee to appeal the approval of the Settlement by the Court. The Parties shall jointly defend against any appeal filed with respect to the Final Order as it pertains to the PAGA part of the Settlement.

M. Resolution of Class Member Disputes Over Workweeks or Pay Periods.

1. If a Class Member disputes the number of Workweeks or Pay Periods credited to him or her, which will be stated in the Class Notice, the Class Member must submit a written dispute to the Settlement Administrator, postmarked no later than the Response Deadline. The dispute must:

- (a) contain the full name and address of the Class Member; (b) be signed by the Class Member; (c) reference the Action by its name and case number; (d) contain a statement clearly indicating that the Class Member disputes the number of Workweeks and/or Pay Periods that are credited to him or her and the number of Workweeks and/or Pay Periods that the Class Member claims should be credited to him or her; and (e) attach supporting documentation, if any, that they may have. If such a dispute

1 arises with respect to a Class Member, the Settlement Administrator shall inform Class Counsel and
2 Defendant's Counsel. Defendant shall manually review its payroll and personnel records to verify the
3 correct number of Pay Periods or Workweeks for the disputing Class Member. Defendant's records
4 shall have a rebuttable presumption of correctness, and Defendant's Counsel and Class Counsel shall
5 jointly determine how the dispute should be resolved. If they are unable to jointly resolve the dispute,
6 the Settlement Administrator shall present the dispute for resolution by the Court, by way of
7 declaration to be filed in advance of the Final Approval Hearing. The decision on the dispute shall be
8 non-appealable.

9 **N. No Solicitation of Objections or Opt-Outs.** Neither the Settling Parties nor their
10 respective counsel or management shall solicit or otherwise encourage any Class Member, directly or
11 indirectly, to seek to opt-out from the Settlement, object to the Settlement, and/or appeal from the
12 Judgment.

13 **O. Additional Briefing and Final Approval.**

14 1. As soon as practicable following the Response Deadline, Plaintiff shall move
15 the Court for final approval of the Settlement. Defendant agrees it shall not oppose so long as the
16 motion is in all respects consistent with the terms of this Settlement. Not later than five (5) court days
17 before the Final Approval Hearing, the Settling Parties may file, jointly or separately, a reply in support
18 of the motion or such other papers as may be necessary or helpful to the Court regarding the subject
19 matter of the motion.

20 2. Upon final approval of the Settlement by the Court at or after the Final Approval
21 Hearing, the Settling Parties shall present a Judgment for the Court's approval and entry, which shall
22 provide that the Court shall have continuing jurisdiction over the Action and the Settlement solely for
23 purposes of: (i) enforcing this Settlement, (ii) addressing any claims administration matters that may
24 arise; and (iii) addressing such post-Judgment matters as may be appropriate under court rules or
25 applicable law.

P. Options to Terminate Settlement/Revision to Maximum Settlement Amount or Class Period and PAGA Period.

1. Any reduction in the Class Counsel Fees and Expenses, and/or any reduction to the requested Class Representative's Service Award, does not constitute grounds to terminate or void the Settlement.

2. Defendant has the right to cancel the Settlement if more than ten percent (10%) of the Class Members submit timely and valid Opt-Out Notices from the Settlement. This option to cancel the Settlement must be exercised by Defendant by providing written notice to Class Counsel within ten (10) business days of Defendant's Counsel receiving notification from the Settlement Administrator that more than ten percent (10%) of the Class Members have submitted timely and valid Opt-Out Notices from the Settlement. If Defendant exercises the option to terminate the Settlement, then Defendant shall be responsible for paying all Settlement Administration Costs.

3. If the number of workweeks worked during the Class Period exceeds 119,951 by more than 10%, which is 131,946, then the Gross Settlement Amount will increase pro rata per additional workweek actually worked beyond 131,946. That means, for example, that if the actual workweeks worked through April 27, 2024, are 135,000, then Defendant would need to pay an additional \$31,242.42 ($\$1,350,000 \div 131,946 = \$10.23$ a workweek $\times 3,054$ excess workweeks).

4. Either Settling Party may terminate this Settlement by giving written notice to the other Settling Party (through its counsel) no later than twenty (20) calendar days after receiving notice that one of the following has occurred: (i) the Court declines to enter the Preliminary Approval Order or the Final Approval Order in substantially the form submitted by the Parties; (ii) the Settlement does not become final because of any appellate court action; or (iii) the Court's final approval of the Settlement is reversed or materially modified on appellate review.

5. In the event of termination of this Settlement as provided above, this Settlement shall become and be considered null and void, and it shall have the following effects: (i) the Settling Parties shall have no further obligations under the Settlement; (ii) Defendant shall have no obligation to make any payments to any person, party, Class Member or attorney that otherwise would have been

owed under this Settlement, except that in case of termination under Section III (P)(2), Defendant shall pay the Settlement Administrator's reasonable fees and expenses incurred as of the date that the Settlement is terminated; (iii) in case of termination under Section III (P)(4), the Parties shall split the Settlement Administrator's reasonable fees and expenses incurred as of the date that the Settlement is terminated; (iv) the Settlement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Settling Parties, all of whom shall be restored to their respective positions in the Action prior to the Settlement; and (v) neither this Settlement nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Action or any other case or proceeding for any purpose whatsoever.

6. Notice of the termination of the Settlement by a Settling Party must be provided to counsel for the other Settling Party in writing.

Q. Dispute Resolution. Any disputes not resolved by the Settlement Administrator or the Settling Parties shall be resolved by the Court. Before any such resort to the Court, counsel for the Settling Parties shall confer in good faith in an attempt to resolve the dispute.

R. Waiver of Right To Appeal. Plaintiff and Class Counsel waive all appeals from the Court's Final Approval of this Settlement.

S. Publicity. Neither Plaintiff nor Plaintiff's counsel will publicize this settlement by Defendant's name or location, through a press release, posting on counsels' website, in social media or by any other public means, other than necessary court filings and proceedings associated with the settlement. Nothing in this provision is intended to prohibit (i) Plaintiff from discussing this settlement with her spouse or partner, attorneys or tax advisor; (ii) Plaintiff's counsel from communicating with putative class members in this case or with the court in which this action is pending; or (iii) Plaintiff's counsel from referencing this matter for purposes of establishing adequacy in other cases.

T. Fair, Adequate, And Reasonable Settlement. This Settlement was reached after extensive negotiations. The Settling Parties believe and agree that this Settlement is a fair, adequate, and reasonable resolution of the Action and have arrived at this Settlement in arms-length negotiations, considering all relevant factors, present and potential, and shall so represent it to the Court.

U. **No Admission Of Liability.** Defendant and the Released Parties deny any and all alleged wrongdoing or the violation of any rights of the Plaintiff and/or Class Members. By entering into this Settlement, Defendant does not admit, and in fact specifically disclaims, the violation of any law or regulation. This Settlement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Settlement is intended or shall be construed as an admission of any liability or wrongdoing by Defendant, or as an admission by the Class Members that any of their claims were non-meritorious or that any defense asserted by Defendant was meritorious. This Settlement and the fact that the Settling Parties are willing to settle the Action and have entered into this Settlement shall have no bearing on, and shall not be admissible in connection with, any litigation, other than as is necessary to enforce the terms of this Settlement.

V. **Miscellaneous Terms.**

1. Integrated Agreement. After it is signed and delivered by all Settling Parties and their counsel, this Settlement and its exhibits shall constitute the entire agreement between the Settling Parties relating to the terms of Settlement, and shall supersede any prior or contemporaneous oral representations, warranties, covenants, or inducements made to any Settling Party concerning this Settlement or its exhibits, including the Settlement Terms.

2. Execution in Counterparts. This Settlement may be executed in one or more counterparts and by facsimile or PDF version. The Settlement may be signed electronically by means that are verifiable, for example through DocuSign. All executed counterparts, and each of them, shall be deemed to be one and the same instrument, provided that counsel for the Settling Parties shall exchange between themselves original signed counterparts. Any executed counterpart shall be admissible in evidence to prove the existence and contents of this Settlement.

3. Modification of Settlement. This Settlement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Settling Parties or their successors-in-interest, subject to approval by the Court.

4. Settlement Binding on Successors. This Settlement shall be binding upon, and inure to the benefit of, the successors of each of the Settling Parties and Participating Class Members.

5. Applicable Law. All terms and conditions of this Settlement and its exhibits shall be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law or choice of law principles.

6. Interim Stay of Proceedings. The Parties shall stay all proceedings in the Action, subject to necessary compliance with the Court's orders, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

7. Authorization to Enter Into Settlement Agreement. Counsel for all Settling Parties warrant and represent they are expressly authorized by the Settling Parties whom they represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by such Settling Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Settling Parties and their counsel shall cooperate with each other and use their best effort to effectuate the implementation of the Settlement. In the event the Settling Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Settling Parties may seek the assistance of the Court to resolve such disagreement. The persons signing this Agreement on behalf of Defendant represents and warrants that they are authorized to sign this Agreement on behalf of Defendant. The Class Representatives represent and warrant that they are authorized to sign this Agreement and that they have not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

8. Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Class Counsel:

Samuel A. Wong, Bar No. 217104
swong@aegislawfirm.com
Kashif Haque, Bar No. 218672
khaque@aegislawfirm.com
Jessica L. Campbell, Bar No. 280626
jcampbell@aegislawfirm.com
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618

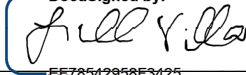
To Defendant:

Jody A. Landry, Esq.
jlandry@littler.com
LITTLER MENDELSON, P.C.
501 West Broadway, Suite 900
San Diego, California 92101

9. Cooperation in Drafting. The Settling Parties have cooperated in the drafting and preparation of this Settlement. This Settlement shall not be construed against any Settling Party on the basis that the Settling Party was the drafter or participated in the drafting.

IT IS SO AGREED.

Dated: 7/10/2024 | 8:56 AM PDT

DocuSigned by:

Jill V. Villa
Plaintiff

Xanitos, Inc.

Dated: _____

Edward Crothall, General Counsel, for Xanitos, Inc.

Approved as to form:

Dated: July 10, 2024


Samuel Wong
Attorneys for Plaintiff and the Settlement Class

Dated: _____

Jody A. Landry
Attorney for Defendant

4855-6623-5855.1 / 079629-1020

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Jill V. Villa v. Xanitos, Inc.

Superior Court of California for the County of Los Angeles, Case No. 22STCV09036 and Case No. 22STCV16739

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Xanitos, Inc.'s records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the class settlement, your legal rights may be affected.

This Class Notice is designed to advise you of your rights and options, and how you can request to be excluded from the class settlement, object to the class settlement, and/or dispute the number of Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class action and Private Attorneys General Act ("PAGA") settlement has been reached between Plaintiff Jill V. Villa ("Plaintiff") and Defendant Xanitos, Inc. ("Defendant") (together, the "Parties") in the case entitled *Jill V. Villa v. Xanitos, Inc.*, Los Angeles County Superior Court, Case No. 22STCV09036 ("Class Action") and Case Number 22STCV16739 ("PAGA Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the Settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all current and former non-exempt employees in California of Defendant during the Class Period.

"Class Member" means a member of the Class.

"Class Period" means the time period from March 15, 2018 through April 27, 2024.

"Class Settlement" means the settlement and resolution of the Released Class Claims (described in Section III.D below).

"PAGA Employees" means all current and former non-exempt employees of Defendant in the State of California employed at any time during the PAGA Period.

"PAGA Settlement" means the settlement and resolution of the Released PAGA Claims (described in Section III.D below).

"PAGA Period" means the time period from March 15, 2021 through April 27, 2024.

II. BACKGROUND OF THE ACTION

On March 15, 2022, Plaintiff provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that he contends were violated ("PAGA Letter").

On March 15, 2022, Plaintiff filed a Class Action Complaint for Damages in the Los County Superior Court, Case No. 22STCV09036 against Defendant.

On May 20, 2022, Plaintiff filed a PAGA Complaint against Defendant, Los Angeles Superior Court Case

Number 22STCV16739.

Plaintiff alleges that Defendant violated the California Labor Code by failing to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, keep requisite payroll records, and reimburse business expenses, and thereby engaged in unfair business practices in violation of California Business & Professions Code section 17200, *et seq.*, and engaged in conduct that gives rise to civil penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all the allegations in the Class Action and PAGA Action or that they violated any law.

The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action And PAGA Settlement and Release ("Settlement," "Agreement," or "Settlement Agreement").

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed [redacted] as the administrator of the Settlement ("Settlement Administrator"), Plaintiff Jill V. Villa as representative of the Class ("Class Representative"), and the following counsel as counsel for the Class ("Class Counsel"):

Samuel A. Wong, Bar No. 217104
swong@aegislawfirm.com
Kashif Haque, Bar No. 218672
khaque@aegislawfirm.com
Jessica L. Campbell, Bar No. 280626
jcampbell@aegislawfirm.com
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: 949.379.6250

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment, and you cannot opt out of the PAGA Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Operative Complaint have merit or that Defendant has any liability to Plaintiff, Class Members, the State of California, and/or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, PAGA Employees, and the State of California. The Court has made no ruling on the merits of the claims asserted in the Operative Complaint and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The maximum settlement amount is One Million Three Hundred Fifty Thousand Dollars (\$1,350,000.00) (the "Maximum Settlement Amount"). The portion of the Maximum Settlement Amount that is available for payment

to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Maximum Settlement Amount, less the following payments which are subject to approval by the Court: (1) Counsels’ Fees; (2) Counsels’ Expenses (3) the Settlement Administration Costs; and (4) Plaintiff’s Service Award for being the Class Representative; and (4) the payment of PAGA penalties of \$100,000, 75% of which will be paid to the Labor Workforce development Agency and 25% to the PAGA Employees.

Class Members shall be entitled to payment of a *pro rata* portion of the Net Settlement Amount (“Settlement Share”). The amount that each Class Member shall be eligible to receive under the Settlement shall be determined by converting the Class Employee Fund into a Workweek Value. The Workweek Value will be established by dividing the Class Employee Fund by all workweeks for the Participating Class Members during the Class Period based on Defendant’s pay records, and excluding any full workweek during with a Participating Class Member was on a leave of absence. Defendant will provide this information with the Class Data List. The Individual Settlement Share for each Participating Class Member will be determined by multiplying the Workweek Value by each Participating Class Member’s individual workweeks (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Participating Class Members”) will be issued their payment of their final Individual Settlement Payment. PAGA Employees shall be issued payment of their Individual PAGA Settlement Share regardless of whether they request exclusion from (opt out of) the Class Settlement.

Each Individual Settlement Share will be allocated as fifteen percent (20%) wages, which will be reported on an IRS Form W-2, and eighty-five percent (80%) penalties, interest, and non-wage damages, which will be reported by the Settlement Administrator on an IRS Form 1099. Each Settlement Share shall be subject to reduction for the employee’s share of payroll taxes due on the wages portion of Settlement Share. The employer’s share of payroll taxes and contributions in connection with the wages portion of the Settlement Shares will be paid by Defendant separately and in addition to the Maximum Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Fund (“Individual PAGA Settlement Share”). The amount that each PAGA Employee shall be eligible to receive will be determined by the PAGA Pay Period Value. The PAGA Pay Period Value will be established by dividing the PAGA Employee Fund by all PAGA Pay Periods for the PAGA Employees. The Individual PAGA Settlement Share for each PAGA Employee will be determined by multiplying the PAGA Pay Period Value by each PAGA Employee’s individual PAGA Pay Periods. (which is listed in Section III.C below).

Each Individual PAGA Settlement Share will be allocated as one hundred percent (100%) penalties, which will be reported by the Settlement Administrator on an IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Participating Class Members and Individual PAGA Settlement Shares will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Pay Periods Based on Defendant's Records

According to Defendants’ records:

During the Class Period (i.e., from March 15, 2018 to April 27, 2024), you are credited as having worked [_____] Workweeks, as a Class Member.

During the PAGA Period (i.e., from March 15, 2021 to April 27, 2024), you are credited as having worked [_____] Pay Periods, as a PAGA Employee.

If you wish to dispute the Pay Periods credited to you, you may submit a written dispute that must: (a) contain your full name, address; (b) be signed by you (c) reference the Class Action by its name and case number; (d) contain a statement clearly indicating that you dispute the number of Pay Periods credited to you and what you contend is the correct number to be credited to you; (e) attach supporting documentation, if any, that you may have. The Pay Period dispute must be postmarked **no later than [Response Deadline]**.

C. Your Estimated Settlement Share and/or Individual PAGA Settlement Share

As explained above, your estimated Settlement Share and/or Individual PAGA Settlement Share is based on the number of Pay Periods credited to you.

Under the terms of the Settlement, your Settlement Share is estimated to be \$ [redacted]. The Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Settlement Share.

Under the terms of the Settlement, your Individual PAGA Settlement Share is estimated to be \$ [redacted].

The settlement approval process may take multiple months. Your Settlement Share and/or Individual PAGA Settlement Share (if applicable) reflected in this Class Notice is only an estimate. Your actual Settlement Share and/or Individual PAGA Settlement Share (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

D. Released Claims

Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiff and all Participating Class Members waive, release and discharge Released Parties of any and all Released Class Claims for the Class Period.

Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiff, the State of California with respect to PAGA Employees, and all PAGA Employees, waive, release and discharge Released Parties of any and all Released PAGA Claims for the PAGA Period.

"Class Released Claims" means all claims for violations of the following Labor Code sections that were actually alleged or that could have been alleged in the Action by Plaintiff, on behalf of herself and the Class Employees for the entire Class Period, as well as any and all wage and hour claims and that were asserted or could have been asserted based on the factual or legal allegations contained in Plaintiff's First Amended Complaint, arising at any time during the Class Period, including but not limited to: (a) failure to pay all wages owed, whether due to alleged off the clock work, rounding, failure to correctly calculate the regular rate or any other theory of liability for the underpayment of the minimum wage or overtime (b) failure to provide duty-free meal periods or pay premiums at the regular rate of pay in lieu thereof; (c) failure to authorize and permit rest period or pay premiums at the regular rate of pay in lieu thereof; (d) failure to provide accurate wage statements; (e) waiting time penalties; (f) unfair business practices based on the allegations in the Complaint, and claims for violation of the provisions of the applicable Wage Orders regarding minimum wage, overtime, and meal periods and rest periods, as well as allegations regarding the late payment of final wages, inaccurate wage statements; (g) claims for the attorney's fees and costs incurred in the prosecution of this Action on behalf of the Class Employees; (h) any other claims, remedies, penalties, or interest that could have been pled based on the facts alleged in the Complaint; and (i) all claims that Plaintiff and/or the Class Employees may have against the Released Parties relating to: (1) the payment, taxation, and allocation of attorney's fees and costs to Plaintiff's Counsel pursuant to this Settlement Agreement; and (2) the payment, taxation, and allocation of Plaintiff's Payment pursuant to this Settlement Agreement. The release of the Released Claims shall be effective as to the entire Class Period defined above. The release of the Released Claims expressly excludes all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, and California class claims outside of the Class Period. Participating

Class Members may discover facts in addition to those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, Participating Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all of the Released Claims, without regard to the subsequent discovery or existence of such different or additional facts. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties that seeks recovery for any of the Released Claims. It is the intent of the Parties that the Judgment entered by the Court shall have full *res judicata* effect and be final and binding upon Participating Class Members regarding the Released Claims.

“PAGA Released Claims” means (a) all claims for civil penalties under PAGA for alleged violations of the following Labor Code sections that were actually alleged or that could have been alleged in the Action or Plaintiff’s PAGA Notice by Plaintiff, on behalf of herself, the State of California, and the PAGA Employees, for the entire PAGA Period: California Labor Code sections 201, 202, 203, 204, 210, 212, 213, 225.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198; (b) claims for the attorney’s fees and costs incurred in the prosecution of this Action on behalf of the PAGA Employees; (c) any other claims for PAGA penalties that could have been plead based on the facts alleged in the Action; and (d) all claims that Plaintiff, and/or the PAGA Employees may have against the Released Parties relating to: (i) the payment, taxation, and allocation of attorney’s fees and costs to Plaintiff’s Counsel pursuant to this Settlement Agreement; and (ii) the payment, taxation, and allocation of PAGA Payments pursuant to this Settlement Agreement. The release of the PAGA Released Claims shall be effective as to the entire PAGA Period defined above. It is the intent of the Parties that the Judgment entered by the Court shall have full *res judicata* effect and be final and binding upon Plaintiff, the state of California and the PAGA Employees regarding the PAGA Released Claims.

“Released Parties” means Xanitos, Inc. as well as its parent, subsidiaries, assign, other related organizations, insurers, officers, directors and management employees.

E. Class Counsel Fees and Expenses to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to thirty three percent (33%) of the Maximum Settlement Amount (i.e., an amount of up to \$450,000.00) and reimbursement of litigation costs and expenses in an amount of up to Thirty Thousand Dollars (\$30,000.00) (together “Class Counsel Fees and Expenses”), subject to approval by the Court. The Class Counsel Fees and Expenses awarded by the Court will be paid from the Maximum Settlement Amount. Class Counsel has been prosecuting the cases on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Class Representative Service Award to Plaintiff

Plaintiff will seek the amount of Seventeen Thousand Five Hundred Dollars (\$10,000.00), in recognition of his services in connection with the Action (“Class Representative Service Award”). The Class Representative Service Award will be paid from the Maximum Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to his individual settlement payments that he may be entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Costs of administering the Settlement are estimated not to exceed _____ Dollars (\$_____) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members and PAGA Employees of the Settlement, processing Opt-Out Notices, objections, and Disputes of Pay Periods, calculating Settlement Shares, Individual Settlement Payments, and Individual PAGA Settlement Shares, and distributing payments and tax forms under the Settlement, and shall be paid from the Maximum Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Class Released Claims described in Section III.D above.

If you are a PAGA Employee, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Settlement Share. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the PAGA Released Claims described in Section III.D above. Class Members who opt-out of the Class Settlement, and who are also PAGA Employees, shall still be bound to the PAGA Settlement and Judgment with respect to the PAGA Released Claims.

As a Class Members and/or PAGA Employee, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Opt-Out from the Class Settlement

If you do not wish to participate in the Class Settlement, you may exclude yourself from the Class Settlement by submitting a written request ("Opt-Out Notice"), which must: (a) contain your full name, address; (b) be signed by you; (c) reference the Class Action by its name; and (d) contain a statement clearly indicating that you seek to be excluded from the Class Settlement. The Opt-Out Notice must be postmarked by **no later than [Response Deadline]** at the following address:

[Settlement Administrator]
[Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Opt-Out Notice will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Class Released Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit an Opt-Out Notice will be deemed Participating Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of Class Released Claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. All PAGA Employees will be bound by the PAGA Settlement (and the release PAGA Released Claims described in Section III.D above) and will still be issued an Individual PAGA Settlement Share, regardless of whether they submit an Opt-Out Notice from the Class Settlement.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement, as long as you have not submitted an Opt-Out Notice, by submitting a written objection to the Settlement Administrator ("Objection") or presenting your objection at the Final Approval Hearing.

An Objection must: (a) contain the full name, address; (b) be signed by the person objecting; (c) reference the Action by its name; and (d) contain a statement clearly indicating that the person objects to the Settlement. The Objection must be postmarked by **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 6 of the Los Angeles Superior Court, located at the _____, Los Angeles, California, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Class Counsel Fees and Expenses, Class Representative Service Award to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear either remotely or in person if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Joint Stipulation of Class Action/PAGA Settlement Agreement and Release and other papers which are on file with the Court.

You may view the Settlement Agreement and documents filed in the Action for a fee by visiting the civil clerk's office, located at _____, Los Angeles, California, during business hours, or by online by visiting the following website: <https://www.lacourt.org.ca.gov>.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT B

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Attorneys for Defendant Xanitos, Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JILL V. VILLA, individually and on behalf of all
others similarly situated,
Plaintiff,

v.

XANITOS, INC.; and DOES 1 through 20,
inclusive,
Defendants.

22STCV09036

ASSIGNED FOR ALL PURPOSES TO
HON. ELIHU M. BERLE, DEPT. 6

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA SETTLEMENT**

[PROPOSED] PRELIMINARY APPROVAL ORDER

The Court, having considered Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement, the accompanying Memorandum of Points and Authorities, the supporting Declarations of Plaintiff's attorney and Plaintiff Jill Villa ("Plaintiff"), and good cause appearing,

HEREBY ORDERS, ADJUDGES, AND DECREES AS FOLLOWS:

1. The Court grants preliminary approval of the proposed Settlement and the Settlement Class based upon the terms set forth in the Joint Stipulation of Class Action and Private Attorney General Act Settlement and Release (the "Settlement") attached as **Exhibit 1** to the Declaration of _____ in Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement. The Court finds, on a preliminary basis, that the Settlement appears to be fair, adequate, and reasonable, and thus, meets the requirements for preliminary approval. The Court also preliminarily finds that the terms of the Settlement appear to be within the range of possible approval, pursuant to California Code of Civil Procedure section 382 and applicable law.

2. The Settlement falls within the range of reasonableness of a settlement which could ultimately be given final approval by this Court, and appears to be presumptively valid, subject only to any objections that may be raised before and/or at the Final Approval Hearing and final approval by this Court. The Court notes that Defendant Xanitos, Inc. ("Defendant") (together with Plaintiff, the "Parties") agrees to create a common, non-reversionary gross fund of \$1,350,000.00 (the "Maximum Settlement Amount"), , to cover (a) Settlement Shares to Participating Class Members; (b) Settlement Administration Costs of up to \$_____; (c) PAGA Penalties of \$100,000.00 for settlement of claims for civil penalties under the Private Attorneys General Act, Labor Code sections 2698, *et seq.* ("PAGA"), and distributed as 25% (\$25,000.00) to PAGA Employees and 75% (\$75,000.00) to the California Labor and Workforce Development Agency (the "LWDA"); (d) the Class Representative's Service Award up to \$10,000.00 to Plaintiff; (e) attorneys' fees to Class Counsel of not more than thirty-three percent of the Maximum Settlement Amount (currently estimated to be \$450,000.00); and (f) litigation costs and expenses to Class Counsel for reimbursement of litigation expenses up to \$30,000.00. The Defendant is separately responsible for the payroll taxes owed on the wage portions of the Settlement Shares to the Participating Class Members.

3. The Court finds on a preliminary basis that: (1) the settlement amount is fair and reasonable to the Class Members when balanced against the probable outcome of further litigation relating to class certification, liability and damages issues, and potential appeals; (2) significant formal and informal discovery, investigation, research, and litigation have been conducted such that counsel for the respective Parties at this time are able to reasonably evaluate their respective positions; (3) settlement at this time will avoid substantial costs, delay, and risks that would be presented by the further prosecution of the litigation; and (4) the proposed Settlement has been reached as the result of serious, informed, adversarial, and arms-length negotiations between the Parties. Accordingly, the Court preliminarily finds that the Settlement was entered into in good faith and meets the requirements for preliminary approval.

4. A final approval hearing on the question of whether the proposed Settlement, Class Counsel's attorneys' fees and costs, Settlement Administration Costs, the PAGA Penalties, and the Class Representative's Service Award should be finally approved as fair, reasonable, and adequate as to the members of the Class is hereby set in accordance with the Implementation Schedule set forth below.

5. The Court provisionally certifies, for settlement purposes only, the following class ("Class Members"): All current and former non-exempt employees of Defendant during the Class Period. The "Class Period" means the period from March 15, 2018 through April 27, 2024. Excluded from the Class will be any Class Member who opts out of the Settlement by sending the Administrator a timely and valid request to opt out of the Settlement.

6. Further, the Court provisionally certifies, for settlement purposes only, the following "PAGA Employees": All current and former non-exempt employees of Defendant in California who worked during the PAGA Period. The "PAGA Period" means the period from March 15, 2021 through April 27, 2024.

7. Release of Claims.

The release provisions of the settlement, as set forth below, are provisionally approved:

- a. Released Parties. "Released Parties" means Xanitos, Inc. as well as its parent, subsidiaries, assign, other related organizations, insurers, officers, directors and management employees.
- b. Release of Class Claims by Participating Class members. Upon the Effective Date,

Defendant and the other Released Parties shall be entitled to a release from the Plaintiff and the Class Members who do not opt, for all of the Released Claims which occurred during the Class Period. "Released Claims" means all claims for violations of the following Labor Code sections that were actually alleged or that could have been alleged in the Action by Plaintiff, on behalf of herself and the Class Employees for the entire Class Period, as well as any and all wage and hour claims and that were asserted or could have been asserted based on the factual or legal allegations contained in Plaintiff's First Amended Complaint, arising at any time during the Class Period, including but not limited to: (a) failure to pay all wages owed, whether due to alleged off the clock work, rounding, failure to correctly calculate the regular rate or any other theory of liability for the underpayment of the minimum wage or overtime (b) failure to provide duty-free meal periods or pay premiums at the regular rate of pay in lieu thereof; (c) failure to authorize and permit rest period or pay premiums at the regular rate of pay in lieu thereof; (d) failure to provide accurate wage statements; (e) waiting time penalties; (f) unfair business practices based on the allegations in the Complaint, and claims for violation of the provisions of the applicable Wage Orders regarding minimum wage, overtime, and meal periods and rest periods, as well as allegations regarding the late payment of final wages, inaccurate wage statements; (g) claims for the attorney's fees and costs incurred in the prosecution of this Action on behalf of the Class Employees; (h) any other claims, remedies, penalties, or interest that could have been pled based on the facts alleged in the Complaint; and (i) all claims that Plaintiff and/or the Class Employees may have against the Released Parties relating to: (1) the payment, taxation, and allocation of attorney's fees and costs to Plaintiff's Counsel pursuant to this Settlement Agreement; and (2) the payment, taxation, and allocation of Plaintiff's Payment pursuant to this Settlement Agreement. The release of the Released Claims shall be effective as to the entire Class Period defined above. The release of the Released Claims expressly excludes all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, and California class claims outside of the Class

1 Period. Participating Class Members may discover facts in addition to those they now know
2 or believe to be true with respect to the subject matter of the Released Claims, but upon the
3 Effective Date, Participating Class Members shall be deemed to have, and by operation of
4 the Judgment shall have, fully, finally, and forever settled and released any and all of the
5 Released Claims, without regard to the subsequent discovery or existence of such different
6 or additional facts. Participating Class Members agree not to sue or otherwise make a claim
7 against any of the Released Parties that seeks recovery for any of the Released Claims. It is
8 the intent of the Parties that the Judgment entered by the Court shall have full *res judicata*
9 effect and be final and binding upon Participating Class Members regarding the Released
10 Claims.

11 c. Complete and General Release by Class Representative. Plaintiff understands that she may
12 hereafter discover facts in addition to or different from those Plaintiff now knows or believes
13 to be true with respect to the subject matter of the Released Claims, but upon the Effective
14 Date, shall be deemed to have, and by operation of the contemplated final judgment shall
15 have, fully, finally, and forever settled and released any and all of the Released Claims, as
16 well as any other known or unknown, suspected or unsuspected, contingent or non-
17 contingent claims, which now exist, or heretofore have existed, upon any theory of law or
18 equity now existing, including, but not limited to, conduct that is negligent, intentional, with
19 or without malice, or a breach of any duty, law, including but not limited to the Fair
20 Employment and Housing Act, or rule, without regard to the subsequent discovery or
21 existence of such different or additional facts. In exchange for the consideration provided
22 to Plaintiff under the Settlement, she shall waive any and all rights Plaintiff may have under
23 Civil Code section 1542. Section 1542 reads as follows: “A general release does not extend
24 to claims that the creditor or releasing party does not know or suspect to exist in his or her
25 favor at the time of executing the release and that, if known by him or her, would have
26 materially affected his or her settlement with the debtor or released party.” Plaintiff
27 understands that she is providing a general release of known and unknown claims to
28 Defendant and the Released Parties that is effective when the Court grants final approval of

the Settlement and Defendant funds the Settlement.

d. Release of PAGA Claims by State of California and PAGA Employees. Upon the Effective Date, Defendant and the other Released Parties shall be entitled to a release from the Plaintiff, the State of California, and all PAGA Employees with respect to the PAGA Released Claims which occurred during the PAGA Period. "PAGA Released Claims" means (a) all claims for civil penalties under PAGA for alleged violations of the following Labor Code sections that were actually alleged or that could have been alleged in the Action or Plaintiff's PAGA Notice by Plaintiff, on behalf of herself, the State of California, and the PAGA Employees, for the entire PAGA Period: California Labor Code sections 201, 202, 203, 204, 210, 212, 213, 225.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198; (b) claims for the attorney's fees and costs incurred in the prosecution of this Action on behalf of the PAGA Employees; (c) any other claims for PAGA penalties that could have been plead based on the facts alleged in the Action; and (d) all claims that Plaintiff, and/or the PAGA Employees may have against the Released Parties relating to: (i) the payment, taxation, and allocation of attorney's fees and costs to Plaintiff's Counsel pursuant to this Settlement Agreement; and (ii) the payment, taxation, and allocation of PAGA Payments pursuant to this Settlement Agreement. The release of the PAGA Released Claims shall be effective as to the entire PAGA Period defined above. It is the intent of the Parties that the Judgment entered by the Court shall have full *res judicata* effect and be final and binding upon Plaintiff, the state of California and the PAGA Employees regarding the PAGA Released Claims.

8. The Court, for purposes of this Preliminary Approval Order, hereby refers to and adopts all terms and definitions as set forth in the Settlement.

9. The Court finds, for settlement purposes only, that the Class meets the requirements for certification under California Code of Civil Procedure section 382 in that: (1) the Class is so numerous that joinder is impractical; (2) there are questions of law and fact that are common, or of general interest, to all Class Members, which predominate over individual issues; (3) Plaintiff's claims are typical of the claims of the Class Members; (4) Plaintiff and Class Counsel will fairly and adequately protect the

interests of the Class Members; and (5) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

10. The Court appoints, for settlement purposes only, Plaintiff as the “Class Representative.” The Court approves, on a preliminary basis, payment of a Class Representative Service Award to Plaintiff of up to \$10,000.00 from the Maximum Settlement Amount, in addition to the amount she is eligible to receive as a Class Member, for her contributions and participation in the litigation, for the risks and duties attendant to her role as the Class Representative, and for her general release of claims against the Released Parties. To the extent the final amount awarded is less, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.

11. The Court appoints, for settlement purposes only, Plaintiff’s Counsel Samuel Wong, Kashif Haque, and Jessica L. Campbell, of Aegis Law Firm, PC as “Class Counsel.” The Court approves, on a preliminary basis, Class Counsel’s ability to request attorneys’ fees of up to thirty-three percent of the Maximum Settlement Amount (currently estimated to be \$450,000.00), as well as reimbursement for actual costs not to exceed \$30,000.00, payable from the Maximum Settlement Amount. To the extent actual costs are less and/or the final amounts awarded for fees and/or costs are less, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.

12. The Court appoints _____ as the “Administrator” with payment, payable from the Maximum Settlement Amount, for administration costs not to exceed \$____,000.00, except upon a showing of good cause and as approved by the Court. To the extent administration costs are less, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.

13. The Administrator shall perform services and duties as provided for in the Settlement, including, but not limited to, mailing the Class Notice via first-class U.S. Mail, in English and Spanish, to Class Members. Class Members shall not be required to submit a claim form to receive individual settlement payments.

14. The Court approves the Class Notice in substantially similar form and content as is attached to the Settlement as **Exhibit A**. The Court finds, on a preliminary basis, that the plan for distribution of the Class Notice satisfies due process, provides the best notice practicable under the circumstances, and constitutes due and sufficient notice to all persons entitled thereto.

15. The obligations set forth in the Settlement are deemed part of this Preliminary Approval Order, and the Parties and Administrator are ordered to carry out the Settlement according to its terms and provisions.

16. The Court orders the following Implementation Schedule:

Defendant to provide the Administrator with the Class Data List	Within 14 calendar business days after entry of this Preliminary Approval Order
Administrator to mail the Class Notice	Within 14 calendar days after receiving the Class Data List from Defendant
Response Deadline for Class Members	Within 60 calendar days after the Administrator mails the Class Notice (extended by 15 calendar days for any re-mailed initial Class Notices)
Last Day to File a Motion For Final Settlement Approval	At least 16 court days before the Final Approval Hearing:
Final Approval Hearing	

17. The Court reserves the right to continue the date of the Final Approval Hearing without further notice to Class Members.

18. The Settlement is preliminarily approved but is not an admission by Defendant of the validity of any claims in this class action, or of any wrongdoing by Defendant or of any violation of law. Neither the Settlement nor any related document shall be offered or received in evidence in any civil, criminal, or administrative action or proceeding other than as may be necessary to consummate or enforce the Settlement.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE ELIHU M. BERLE

Judge of the Superior Court, Los Angeles County