

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between PLAINTIFF Mario Cabral (“PLAINTIFF”) and DEFENDANT Sentry Insurance Company (“SENTRY”). The Agreement refers to PLAINTIFF and SENTRY collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means PLAINTIFF’s lawsuit alleging, among other things, wage-and-hour violations against SENTRY, captioned *Mario Cabral v. Sentry Insurance Company* initiated on July 1, 2022 and pending in Superior Court of the State of California, County of Los Angeles, Case Number 22STCV21484.
- 1.2. “Administrator” means Phoenix Settlement Administrators (“Phoenix”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employees” means all individuals, including PLAINTIFF, employed by SENTRY in California in an hourly, non-exempt position at any time during the PAGA Period, and “Aggrieved Employee” means an individual member of the group of Aggrieved Employees.
- 1.5. “Class” means all individuals, including PLAINTIFF, employed by SENTRY in California in an hourly, non-exempt position at any time during the Class Period.
- 1.6. “Class Counsel” means Messrelian Law, Inc.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means each Class Member’s identifying information in SENTRY’s possession, including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Work Shifts and PAGA Pay Periods during which each Class Member performed work for SENTRY.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Members’ mailing addresses using all reasonably available

sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

- 1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. "Class Period" means the period from July 1, 2018 through the date the Court grants preliminary approval of the Settlement.
- 1.13. "Class Period Work Shift" means any Workweeks during which a Class Member worked for Sentry during the Class Period.
- 1.14. "Class Representative" means PLAINTIFF as named in the Operative Complaint in the Action.
- 1.15. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.16. "Court" means the Superior Court of California, County of Los Angeles.
- 1.17. "Defendant" means Sentry Insurance Company.
- 1.18. "Defense Counsel" means Foley & Lardner LLP.
- 1.19. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.20. "Final Approval" means the Court's order granting final approval of the Settlement.
- 1.21. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.22. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.23. "FLSA Settlement Class Member" means, and refers to, a Class Member who timely cashes his or her Individual Class Payment check, and thereby will be deemed to have opted into the action for purposes of the Fair Labor Standards Act and to have waived

and released any claims such FLSA Settlement Class Members may have under the Fair Labor Standards Act, 29 U.S.C. §§ 201 *et seq.* Only those Class Members who timely cash their settlement check will be deemed to have opted into the action for purposes of the Fair Labor Standards Act and thereby released and waived any of their claims under the Fair Labor Standards Act.

- 1.24. “Gross Settlement Amount” means \$225,000.00 which is the total amount SENTRY agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service Payment and the Administration Expenses Payment.
- 1.25. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.26. “Individual PAGA Payment” means each Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of pay periods worked during the PAGA Period.
- 1.27. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.28. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under California Labor Code section 2699, subd. (i).
- 1.29. “LWDA PAGA Payment” means 75% of the PAGA Penalties to be paid to the LWDA under California Labor Code section 2699, subd. (i).
- 1.30. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, the Class Representative Service Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder of the Gross Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.31. “Non-Participating Class Member” means any Class Member who opts out of the Class Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.32. “Operative Complaint” has the meaning defined in Paragraph 2.1, below.
- 1.33. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for SENTRY for at least one day during the PAGA Period.
- 1.34. “PAGA Period” means the period from April 14, 2021 through the date the Court grants preliminary approval of the Settlement.

- 1.35. "PAGA" means the Private Attorneys General Act (California Labor Code §§ 2698 *et seq.*).
- 1.36. "PAGA Notice" means PLAINTIFF's April 14, 2022 letter to SENTRY and the LWDA providing notice pursuant to California Labor Code § 2699.3, subd. (a).
- 1.37. "PAGA Penalties" means the total amount of PAGA civil penalties (\$15,000.00) to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$3,750.00) and 75% to LWDA (\$11,250.00) in settlement of PAGA claims.
- 1.38. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Class Settlement.
- 1.39. "PLAINTIFF" means Mario Cabral, the named PLAINTIFF in the Action.
- 1.40. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.41. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.42. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.
- 1.43. "Released PAGA Claims" means the claims being released as described in Paragraph 6.2 below.
- 1.44. "Released Parties" means: SENTRY and its parents, subsidiaries, affiliates and related entities, their predecessors, successors and assigns, and each of their respective former and present directors, officers, shareholders, owners, members, managers, partners, agents, employees, attorneys and insurers.
- 1.45. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.46. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Class Settlement, or (b) fax, email, or mail his or her Objection to the Class Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.47. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.48. "Workweek" means any week during which a Class Member performed work for SENTRY during the Class Period.

2. RECITALS.

- 2.1. On July 1, 2022, PLAINTIFF commenced this Action by filing a Complaint alleging causes of action against SENTRY for (1) Failure to Pay Wages for All Hours Worked; (2) Failure to Pay Minimum Wages; (3) Failure to Pay Overtime; (4) Failure to Provide Accurate Itemized Wage Statements; (5) Failure to Pay Wages When Employment Ends; (6) Failure to Pay Wages Owed Every Pay Period; (7) Failure to Provide Rest Breaks; (8) Failure to Provide Meal Breaks; (9) PAGA; and (10) Failure to Reimburse. On August 9, 2023, PLAINTIFF filed a First Amended Class Action Complaint for: (1) Failure to Pay Wages at the Correct Rates of Pay; (2) Failure to Provide Rest Breaks; (3) Failure to Provide Meal Periods; (4) Failure to Indemnify; (5) Wage Statement Penalties; (6) Waiting Time Penalties; (7) Failure to Pay Wages Owed Every Pay Period; (8) Unfair Competition; and (9) PAGA. The First Amended Class Action Complaint is the operative complaint in the Action (the "Operative Complaint").
- 2.2. SENTRY filed its Answer to the original Complaint on September 20, 2022 denying the allegations in such Complaint and denying any and all liability for the causes of action alleged therein. SENTRY filed its Answer to Plaintiff's First Amended Class Action Complaint on September 6, 2023, denying any and all liability for the causes of action alleged therein.
- 2.3. Pursuant to California Labor Code section 2699.3, subd. (a), PLAINTIFF gave timely written notice pursuant to PAGA to SENTRY and the LWDA by sending his PAGA Notice.
- 2.4. On April 19, 2023, the Parties participated in an all-day mediation with mediator Todd Smith and engaged in further post-mediation negotiations that resulted in the instant Agreement to settle the Action.
- 2.5. Prior to mediation, PLAINTIFF obtained from SENTRY, through informal discovery, substantial data, documents and information regarding PLAINTIFF'S claims and SENTRY's defenses. This information provided PLAINTIFF with sufficient information to investigate, analyze and evaluate the merits of the action for purposes of entering into fair and reasonable settlement. PLAINTIFF'S investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.6. The Court has not granted Class certification.
- 2.7. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. **Gross Settlement Amount.** Except as otherwise provided by Paragraph 9 below, SENTRY promises to pay no more than \$225,000.00 as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the wage portions of the Individual Class Payments. SENTRY has no obligation to pay the Gross Settlement Amount (or any employer payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to SENTRY.
- 3.2. **Payments from the Gross Settlement Amount.** The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1. **To PLAINTIFF:** A Class Representative Service Payment to the Class Representative of not more than \$2,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment that the Class Representative is entitled to receive as a Participating Class Member). SENTRY will not oppose PLAINTIFF'S request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, PLAINTIFF will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using an IRS 1099 Form. PLAINTIFF assumes full responsibility and liability for income and employment taxes owed on the Class Representative Service Payment.
- 3.2.2. **To Class Counsel:** A Class Counsel Fees Payment of not more than 33.33%, which is currently estimated to be \$75,000.00 and a Class Counsel Litigation Expenses Payment of not more than \$15,000.00. SENTRY will not oppose requests for these payments provided that they do not exceed these amounts. PLAINTIFF and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other PLAINTIFF's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel and PLAINTIFF assume full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and hold SENTRY harmless, and indemnify SENTRY, from any dispute or controversy regarding any division or sharing of any of these payments.

- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$15,000.00 except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less or the Court approves payment of an Administrative Expense Payment less than \$15,000.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any income and employment taxes owed on their Individual Class Payment.
- 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$15,000.00 to be paid from the Gross Settlement Amount, with 75% (\$11,250.00) allocated to the LWDA PAGA Payment and 25% (\$3,750.00) allocated to the Individual PAGA Payments.
- 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$3,750.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any income and employment taxes owed on their Individual PAGA Payment.
- 3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. **Class Workweeks.** Based on a review of its records to date, SENTRY estimates there are 121 Class Members who collectively worked a total of 5,400 Workweeks during the Class Period (as of the time of mediation).
- 4.2. **Class Data.** Not later than fifteen (15) business days after the Court grants Preliminary Approval of the Settlement, SENTRY will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. SENTRY has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which SENTRY must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. **Funding of Gross Settlement Amount.** If no objection to the settlement is made, SENTRY will pay to the Administrator the Gross Settlement Amount, together with the employer's share of payroll taxes on the Net Class Payment, within twenty (20) business days of the final approval order. If an objection to the settlement is made but no appeal is filed, then payment to the Administrator of the Gross Settlement Amount, together with the employer's share of payroll taxes on the Net Class Payment, shall be made within twenty (20) business days of the expiration of the appeal period. If an appeal is filed, then payment to the Administrator for the Gross Settlement Amount, together with the employer's share of payroll taxes on the Net Class Payment, shall occur within twenty (20) business days of the date the judgment is final and no longer subject to appeal. Within twenty (20) business days of SENTRY's funding of the Gross Settlement Amount, the Administrator will mail the checks for the Individual Class Payments and Individual PAGA Payments. Within twenty (20) business days thereafter, the Administrator will mail the checks for the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.3.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members and/or Aggrieved Employees (as applicable) via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-

Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.3.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.3.3. For any Class Member or Aggrieved Employee whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member or Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.3.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate SENTRY to confer any additional benefits or make any additional payments to Class Members or Aggrieved Employees (such as 401(k) contributions or bonuses).
6. **RELEASES OF CLAIMS.** Effective on the date when SENTRY fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, PLAINTIFF, Class Members, Aggrieved Employees and Class Counsel will release claims against all Released Parties as follows:
 - 6.1 **PLAINTIFF'S Release.** PLAINTIFF and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, PLAINTIFF'S PAGA Notice, or ascertained during the Action and released under Paragraph 6.2, below ("PLAINTIFF'S Release"). PLAINTIFF's Release includes, but is not limited to, all claims, rights, demands, liabilities, damages, attorneys' fees, costs, and causes of action of every nature and description, whether known or unknown, arising from or related to the claims litigated or to have been litigated in the Action, or arising during the Class Period of this settlement, including statutory, constitutional or common law claims for wages, damages, unpaid

costs, penalties, interest, attorneys' fees, litigation costs, restitution, equitable relief, or other relief under California Business & Professions Code § 17200 *et seq.* or the federal Fair Labor Standards Act, based on the following categories of allegations as set forth in the Operative Complaint: (a) all claims for unpaid wages (including any and all claims for, among other things, alleged failure to pay overtime or properly calculate the overtime rate, improper rounding, or off-the-clock work); (b) all claims for failure to provide meal periods (including claims for late or short meal periods); (c) all claims for failure to authorize and permit rest periods; (d) all claims for the failure to promptly pay all wages due and owing at the time of an employee's termination or discharge; (e) all claims for the failure to issue properly itemized wage statements; (f) all related claims for Unfair Competition or Business Practices under California's Business and Professions Code or similar laws related to the alleged claims; (g) all claims for any and all penalties pursuant to the California Labor Code and/or the Private Attorneys General Act of 2004; and (h) all other claims that were or could have been asserted based on the facts alleged in the Action. PLAINTIFF'S Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. PLAINTIFF acknowledges that PLAINTIFF may discover facts or law different from, or in addition to, the facts or law that PLAINTIFF now knows or believes to be true but agrees, nonetheless, that PLAINTIFF'S Release shall be and remain effective in all respects, notwithstanding such different or additional facts or PLAINTIFF'S discovery of them.

6.1.1 PLAINTIFF's Waiver of Rights Under California Civil Code Section 1542. For purposes of PLAINTIFF's Release, PLAINTIFF expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads: "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."

6.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action. The Participating Class Members' release includes, but is not limited to, all claims, rights, demands, liabilities, damages, attorneys' fees, costs, and causes of action of every nature and description, whether known or unknown, arising from or related to the claims litigated in the Action, or arising during the Class Period of this settlement, including statutory, constitutional or common law claims for wages, damages, unpaid costs, penalties, interest, attorneys' fees, litigation costs, restitution, equitable relief, or other relief under California Business & Professions Code § 17200 *et seq.* or the federal Fair Labor Standards Act, based on the following categories of allegations as set forth in the Operative Complaint: (a) all claims for unpaid wages (including any and all claims for, among other things, alleged failure to pay overtime or properly calculate the overtime rate, improper rounding, or off-the-clock work); (b) all claims for failure to

provide meal periods (including claims for late or short meal periods); (c) all claims for failure to authorize and permit rest periods; (d) all claims for the failure to promptly pay all wages due and owing at the time of an employee's termination or discharge; (e) all claims for the failure to issue properly itemized wage statements; (f) all related claims for Unfair Competition or Business Practices under California's Business and Professions Code or similar laws related to the alleged claims; (g) all claims for any and all penalties pursuant to the California Labor Code and/or the Private Attorneys General Act of 2004; and (h) all other claims that were or could have been asserted based on the facts alleged in the Action. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. Additionally, any Participating Class Member who cashes his or her settlement check (and, in so doing, becomes a FLSA Settlement Class Member) will be deemed to have opted into the action for purposes of the Fair Labor Standards Act and, as to those FLSA Settlement Class Members, the Released Claims include any and all claims the FLSA Settlement Class Members may have under the Fair Labor Standards Act, 29 U.S.C. §§ 201 *et seq.* arising during the Class Period relating to the alleged claims. Only those Participating Class Members who cash their settlement check will be deemed to have opted into the action for purposes of the Fair Labor Standards Act and thereby released and waived any of their claims under the Fair Labor Standards Act relating to the alleged claims.

- 6.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action.
7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.
- 7.1 SENTRY's Declaration in Support of Preliminary Approval. Within 30 days of the full execution of this Agreement, SENTRY will prepare and deliver to Class Counsel a signed Declaration from SENTRY and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and SENTRY shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 7.2 PLAINTIFF's Responsibilities. PLAINTIFF will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval

that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with PLAINTIFF, Class Counsel or Defense Counsel; (v) a signed declaration from PLAINTIFF confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members or the Administrator. In their Declarations, PLAINTIFF and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering

settlements.

- 8.2 **Employer Identification Number.** The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 8.3 **Qualified Settlement Fund.** The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 8.4 **Notice to Class Members.**
- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 8.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 8.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 8.4.5 If the Administrator or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to

the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later. If the Parties do not agree, the Court will be the final arbiter of whether or not to include such persons as Class Members.

8.5 Requests for Exclusion (Opt-Outs).

- 8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 6.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class

Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Class Workweeks and PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Class Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Class Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination regarding the challenges.

8.7 Objections to Settlement.

8.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

8.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will

promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- 8.8.3 **Weekly Reports.** The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Class Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 8.8.4 **Workweek and/or Pay Period Challenges.** The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member or Aggrieved Employee (as applicable) challenges over the calculation of Class Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
- 8.8.5 **Administrator's Declaration.** Not later than 14 days before the date by which PLAINTIFF is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
- 8.8.6 **Final Report by Settlement Administrator.** Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, SENTRY estimates that, as of the date of mediation, (1) there are 121 Class Members and 5,400 workweeks during the Class Period. If the total number of workweeks in the Class Period exceeds 15% more than 5,400 (i.e. exceeds 6,210), SENTRY will have the option to either (a) increase the gross settlement amount proportionally or (b) to shorten the release and Class Period and PAGA Period so that there are no more than 6,210 workweeks without an increase in the Gross Settlement Amount.
10. **SENTRY'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, SENTRY may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if SENTRY withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, SENTRY will remain responsible for paying all Settlement Administration Expenses incurred to that point. SENTRY, must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
11. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, PLAINTIFF will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). PLAINTIFF shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and/or the Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement

administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

11.4 **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11.5 **Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment.** If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

13. **ADDITIONAL PROVISIONS.**

13.1 **No Admission of Liability, Class Certification or Representative Manageability for Other Purposes.** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by SENTRY, that any of the allegations in the Operative Complaint have merit or that SENTRY has any liability for any claims asserted; nor should it be intended or construed as an admission by PLAINTIFF that SENTRY's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, SENTRY reserves the right to contest certification of any class for any reasons, and SENTRY reserves all available defenses to the claims in the Action, and PLAINTIFF reserves the right to move for class certification on any grounds available and to contest SENTRY's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no

bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 13.2 **Confidentiality Prior to Preliminary Approval.** PLAINTIFF, Class Counsel, SENTRY and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. PLAINTIFF, Class Counsel, SENTRY and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 13.3 **No Solicitation.** The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.4 **Integrated Agreement.** Upon execution by all Parties and their counsel, this Agreement, together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 13.5 **Attorney Authorization.** Class Counsel and Defense Counsel separately warrant and represent that they are authorized by PLAINTIFF and SENTRY respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 13.6 **Cooperation.** The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement

the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 13.7 **No Prior Assignments.** The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 13.8 **No Tax Advice.** Neither PLAINTIFF, Class Counsel, SENTRY nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 13.9 **Modification of Agreement.** This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.10 **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11 **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.12 **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 13.13 **Confidentiality.** To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.14 **Use and Return of Class Data.** Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by SENTRY in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, PLAINTIFF shall destroy, all paper and electronic versions of Class Data received from SENTRY unless, prior to the Court's discharge of the Administrator's obligation, SENTRY makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 13.15 **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

- 13.16 **Calendar Days.** Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.17 **Notice.** All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:
- To PLAINTIFF:
Messrelan Law, Inc.
Harout Messrelan, Esq.
500 N. Central Ave., #840
Glendale, CA 91203
- To SENTRY:
Foley & Lardner, LLP
Kevin Jackson, Esq.
11988 El Camino Real, Suite 400
San Diego, CA 92130
- 13.18 **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 13.19 **Stay of Litigation.** The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

***[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE
FOLLOWS.]***

IN WITNESS THEREOF, the Parties each acknowledge that they have read the foregoing Class Action and PAGA Settlement Agreement, accept and agree to the provisions contained in this Agreement and hereby execute it voluntarily and with full understanding of its consequences.

PLAINTIFF:

Dated: Oct 11, 2023


Mario Cabral (Oct 11, 2023 14:47 PDT)

Mario Cabral

DEFENDANT:

Dated: October 17, 2023

SENTRY INSURANCE COMPANY

By: 
Its: Vice President + Secretary

EXHIBIT A – CLASS NOTICE

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

MARIO CABRAL, on behalf of himself and on
behalf of all similarly situated individuals,

Plaintiffs,

v.

SENTRY INSURANCE COMPANY, and
DOES 1 through 25, inclusive,

Defendants.

CASE NO: 22STCV21484

Assigned to [JUDGE/DEPARTMENT]

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

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT
PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.**

A California court authorized this notice. This is not a solicitation from a lawyer.

- A settlement will provide \$225,000 to pay claims to all individuals who currently work or previously worked for SENTRY INSURANCE COMPANY ("Defendant") in California in a non-exempt position between July 1, 2018 and [REDACTED] (the "Class Period") and in a non-exempt position between April 14, 2021 and [REDACTED] (the "PAGA Period").
- The settlement resolves a lawsuit alleging that Defendant failed to pay all minimum and overtime wages; provide compliant meal and rest periods, or premium compensation in lieu thereof; reimburse all business expenses; timely issue final wages upon separation of employment; and issue accurate and complete itemized wage statements. The Settlement avoids costs and risks of continuing the lawsuit; pays money to employees; and releases Defendant from liability from the claims asserted in this lawsuit.
- Lawyers for the employees will ask the Court to award them up to \$75,000 as attorneys' fees and \$15,000 as expenses for investigating the facts, litigating the case, and negotiating the settlement. This will be paid from the \$225,000 settlement amount.
- Defendant denies liability and believes all appropriate wages were paid and that it otherwise complied with any Labor Code obligations. The Parties disagree on how much money could have been awarded if employees won at trial. After investigating the claims at issue, and the possible defenses to those claims, the Parties have agreed to settle this case in order to avoid the cost and risk of further litigation. In view of the costs and risks that continued litigation would entail, Plaintiff and his counsel believe the Settlement is in the best interests of all parties.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a class action lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the Class on whose behalf this class action lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

On July 1, 2022, Plaintiff Mario Cabral ("Plaintiff"), a former employee of Defendant, filed this lawsuit in the Los Angeles County Superior Court. The lawsuit alleges violations of the California Labor Code and California Business and Professions Code. The lawsuit seeks to certify a class of all current and former non-exempt California employees of Defendant at any time between July 1, 2018 and [REDACTED]. Specifically, the lawsuit alleges that members of the Class were not paid all minimum and overtime wages; were not provided compliant meal and rest periods, or premium compensation in lieu thereof; were not reimbursed for all business expenses; were not timely issued final wages upon separation of employment; and were not issued accurate and complete itemized wage statements. The Settlement seeks recovery of wages, damages, interest, statutory and civil penalties, restitution, attorneys' fees and costs. Defendant denies all of the material allegations in the lawsuit and denies that they owe Class Members any remedies. The Court has not made a ruling on the merits of the case.

The lawyers for the parties are:

Plaintiff's Attorneys

Harout Messrelian, Esq.
Messrelian Law, Inc.
500 N. Central Ave., Suite 840
Glendale, California 91203

Defendant's Attorneys

Krista M. Cabrera, Esq.
Kevin Jackson, Esq.
FOLEY & LARDNER LLP
1198 El Camino Real, Suite 400
San Diego, CA 92130

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendant. Plaintiff believes he would have prevailed on the claims at a trial. Defendant does not believe that Plaintiff would have won anything from a trial. There has been no trial. Instead, both sides agreed to a settlement, which is memorialized in the Settlement Agreement and Release of Claims ("Settlement" or "Settlement Agreement"), in order to avoid the further costs, risks, and uncertainty of a trial. Plaintiff and Plaintiff's Attorney believe the settlement is fair, reasonable, adequate, and in the best interests of all Class Members and Aggrieved Employees.

B. Who is in the Settlement Class?

The Settlement encompasses a class composed of all individuals who worked for Defendant as a non-exempt employee in California at any time between July 1, 2018 and [REDACTED], and, with regard to the PAGA Claims, all individuals who worked for Defendant as a non-exempt employee in California at any time between April 14, 2021 and [REDACTED].

C. What does the Settlement provide?

1. Gross Settlement Amount.

The Settlement provides that Defendant will pay \$225,000 (the “Gross Settlement Amount”) to settle the lawsuit.

2. Net Settlement Proceeds.

The “Net Settlement Proceeds” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Proceeds is the Gross Settlement Amount less the following amounts that will be requested at the Final Approval Hearing and are subject to comment or objection by Participating Class Members. The Court will fix these amounts at the Final Approval Hearing.

(a) **Class Counsel’s Attorneys’ Fees** in an amount set by the Court, not to exceed 33.33% of the Gross Settlement Amount (i.e. \$75,000);

(b) **Class Counsel’s Documented Litigation Costs/Expenses** in an amount set by the Court, not to exceed \$15,000;

(c) **Service Awards to the Class Representative** in an amount set by the Court, not to exceed \$2,500 for his service in the lawsuit;

(d) **Settlement Administration Costs** which are currently estimated to not exceed \$15,000, for administering the settlement; and

(e) **PAGA Payment** in the total amount of \$15,000 for the settlement of claims arising under the California Private Attorneys General Act (“PAGA”). 75% of the PAGA Payment, or \$11,250, shall be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Payment, or \$3,750, will be distributed to non-exempt California employees who worked for Defendant from April 14, 2021 to [REDACTED] (“Aggrieved Employees”), for the release of their claims arising under PAGA.

3. Individual Payment Amount.

Your share of the Net Settlement Proceeds will be determined by the formula detailed in section E below. Your Individual Payment Amount includes both your estimated share of the Net Settlement Proceeds and, if eligible, your share of the PAGA Payment.

D. What Are You Giving Up To Get A Payment Or Stay In The Class?

Upon the Effective Date, and subject to Defendant’s full payment of the Gross Settlement Amount, Defendant shall be entitled to a release by participating Class Members of all claims pled or that could have been pled based on the factual allegations contained in the operative complaint and PAGA letters sent by Plaintiff that occurred during the Class Period during employment in a non-exempt position in California.

Upon the Effective Date and subject to Defendant's full payment of the Gross Settlement Amount, Aggrieved Employees will release all PAGA civil penalty claims pled or that could have been pled based on the factual allegations contained in the operative complaint and PAGA letters sent by Plaintiff that occurred during the PAGA Period during employment in a non-exempt position in California against Defendant.

E. How Is My Share Of The Settlement Calculated?

Each participating Class Member (those who do not opt out of the Settlement) and all Aggrieved Employees shall receive an "Individual Payment Amount," which is distributable to each Class Member who participates in the Settlement (i.e., who does not submit a valid request for exclusion form) and is a portion of the PAGA Payment distributable to each Aggrieved Employee, even if they request exclusion from the class settlement.

As to participating Class Members, the class portion of the Individual Payment Amount will be determined by dividing the Net Settlement Proceeds, less the \$15,000 PAGA allocation, by the total number of weeks worked by the entire Settlement Class during the Class Period, net of opt outs, resulting in the class workweek value; and then multiplying the class workweek value by the number of weeks worked by each participating Class Member during the Class Period.

As to the Aggrieved Employees, the PAGA portion of the Individual Payment Amount will be determined by dividing the portion of the PAGA settlement amount allocated to the Aggrieved Employee (\$3,750) by the total number of weeks worked by all Aggrieved Employees during the PAGA Period, resulting in the PAGA workweek value; and then multiplying the PAGA workweek value by the number of weeks worked by each Aggrieved Employee during the PAGA Period.

For tax purposes, the class portion of each Individual Payment Amount will be apportioned (a) 20% as wages (reported on an IRS Form W-2 and subject to applicable withholdings); and (b) 80% equally as penalties and interest (reported on an IRS Form 1099, if required). The PAGA portion of each Individual Payment Amount will be apportioned 100% as penalties (reported on an IRS Form 1099, if required). All Individual Payment Amounts paid to Class Members and Aggrieved Employees will be subject to any applicable wage garnishments, liens, or other legally mandated treatment as required by law.

According to the records of Defendant, you worked [REDACTED] weeks while employed in a non-exempt position in California from July 1, 2018 to [REDACTED] and you worked [REDACTED] weeks while employed in a non-exempt position in California from April 14, 2021 through [REDACTED]. Based on these weeks worked, you are entitled to an Individual Payment Amount of approximately \$[REDACTED]. This amount is subject to change based on the final ruling of the Court.

Please be advised that the individual data above is presumed to be correct unless you submit documentation proving otherwise. If you disagree with the data, please submit an explanation and evidence in support of your position to the Settlement Administrator no later than [REDACTED], 2023. In the event of a dispute, the Settlement Administrator will attempt to resolve the challenge with input from the Defendant. Unresolved disputes will be presented to the Court for its review.

THE SETTLEMENT HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the “Final Settlement Hearing”) on [REDACTED], at [REDACTED], in the Courtroom of [REDACTED] of the Los Angeles County Superior Court, Department [REDACTED], located at [REDACTED]. The Court will determine: (i) whether the lawsuit should finally be certified as a class action for settlement purposes; (ii) whether the settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members and Aggrieved Employees; (iii) whether the Settlement Class Members should be bound by the terms of the settlement; (iv) the amount of the attorneys’ fees and costs to be awarded to Plaintiff’s Attorney; and (v) the amount that should be awarded to Plaintiff as a service award. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move, you must update your address with the Settlement Administrator. If you disagree with pre-printed data indicated in section E above, you must submit an explanation and/or documentation to the Settlement Administrator to justify your position, postmarked no later than [REDACTED]. The Settlement Administrator’s address is [Settlement Administrator address].

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Settlement Hearing, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator at [Settlement Administrator address]. Written objections must be postmarked no later than [REDACTED].

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself (“opt out”) from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement, although you will be bound by the PAGA Claims. You will not be bound by a class judgment in this case, and you will have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. You can opt out of the Class by completely filling out and mailing the enclosed Request for Exclusion Form to the Settlement Administrator at the above-stated address, such that it is postmarked no later than [REDACTED].

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed “Settlement Agreement and Release of

Claims” which is on file with the Clerk of the Court. The pleadings and other records in the Lawsuit may be examined at any time during regular business hours at the Office of the Clerk of the Los Angeles County Superior Court, located at [REDACTED].

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at [address], [telephone number], or Harout Messrelian, Esq., Counsel for the Class, at (818) 484-6531.

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.

**BY ORDER OF THE SUPERIOR COURT OF
THE STATE OF CALIFORNIA**