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and on behalf of all others similarly situated.

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Attorneys for Defendants Aw Malik, Inc.; and
Amsu Financial, Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

CHRISTINE ARCARO, individually and on behalf
of all others similarly situated,

Plaintiffs,

vs.

AW MALIK, INC.; AMSU FINANCIAL,
INC.; JACK IN THE BOX INC.; and DOES 1
through 20, inclusive,

Defendants.

Case No. CIVSB2207625

Assigned for all purposes to:

Hon. Judge David Cohn

Dept. S26

JOINT STIPULATION OF SETTLEMENT

1 It is stipulated and agreed by and among the undersigned Parties, subject to the approval of
2 the Court pursuant to the California Rules of Court, that the Settlement of this Action shall be
3 effectuated upon and subject to the following terms and conditions. Capitalized terms used herein
4 shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of
5 Settlement (“Agreement” or “Settlement”).

6 This Agreement is made by and between Named Plaintiff Christine Arcaro (“Named
7 Plaintiff”) and the Class Members, on the one hand, and Defendants AW Malik, Inc. and AMSU
8 Financial, Inc. (“Defendants”), on the other hand. Named Plaintiff and Defendants collectively are
9 referred to in this Agreement as “the Parties.”

10 The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and
11 concluded by agreement of Defendants to pay the settlement amount of One Million Dollars and Zero
12 Cents (\$1,000,000.00) as provided in Section 3.06(a) below pursuant to the terms and conditions of
13 this Agreement and for the consideration set forth herein, including but not limited to, a release of
14 all claims by Named Plaintiff and the Class Members as set forth herein.

15 ARTICLE I

16 DEFINITIONS

17 Unless otherwise defined herein, the following terms used in this Agreement shall have the
18 meanings ascribed to them as set forth below:

19 a. “Action” means the action described as follows: *Arcaro v. AW Malik, Inc., et al.*; and
20 DOES 1 through 20, inclusive,” Case No. CIVSB2207625, commenced on April 12, 2022, in the
21 Superior Court of the State of California for the County of San Bernardino.

22 b. “Agreement” means this Joint Stipulation of Settlement, including the attached
23 Exhibit(s).

24 c. “Class” means all current and former non-exempt employees who are or were
25 employed by Defendants in California at any time during the Class Period.

26 d. “Class Counsel” means the attorneys for the Class and the Class Members, who are:

27 AEGIS LAW FIRM, PC
28 Kashif Haque
Samuel A. Wong

Jessica L. Campbell
Kristy R. Connolly
9811 Irvine Center Drive, Suite 100
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e. “Class List” means a list based on Defendants’ business records that identifies each Class Member’s name, last known home or mailing address, Social Security number or, as applicable, other taxpayer identification number, dates of employment, and the number of Qualifying Workweeks worked during the Class Period.

f. “Class Member(s)” means all members of the Class.

g. “Class Period” means October 16, 2017 through October 20, 2023.

h. “Court” means the Superior Court for the State of California, County of San Bernardino, where the Action is currently pending.

i. “Date of Finality” means the later of the following: (1) the date the Final Order is signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no appeal is taken of the Final Order, sixty-five (65) days after the Final Order; or (3) if an appeal or other judicial review is taken from the Court’s overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes final.

j. “Defendants” means Defendants AW Malik, Inc. and AMSU Financial, Inc.

k. “Defense Counsel” means counsel for Defendants:

ROGERS JOSEPH O'DONNELL
Dennis C. Huie
Whitney R. Miner
311 California Street, 10th Fl.
San Francisco, CA 94104
Telephone: 415.956.2828
Facsimile: 415.956.6457

l. “Disposition” means the method by which the Court approves the terms of the Settlement and retains jurisdiction over its enforcement, implementation, construction, administration, and interpretation.

1 m. "Final Order Approving Settlement of Class Action" or "Final Order" means the final
2 formal court order signed by the Court following the Final Fairness and Approval Hearing in
3 accordance with the terms herein, approving this Agreement.

4 n. "Gross Settlement Amount" means One Million Dollars and Zero Cents
5 (\$1,000,000.00) to be paid by Defendants as provided by this Agreement to settle this Action. All
6 payments to the Class, Settlement Administration costs, attorney's fees and costs, and the Incentive
7 Award, pursuant to Section 3.06(a) below, shall be paid out of the Gross Settlement Amount. The
8 employer's share of payroll taxes arising from the payments made under this settlement shall be paid
9 by Defendants separate from and in addition to the Gross Settlement Amount. The Gross Settlement
10 Amount is subject to a pro rata increase pursuant to Section 3.04(e) below. No part of the Gross
11 Settlement Amount shall revert to Defendants.

12 o. "Incentive Award" means a monetary amount of up to Ten Thousand Dollars
13 (\$10,000.00) for the Named Plaintiff, subject to Court approval, in recognition of her effort and work
14 in prosecuting the Action on behalf of Class Members, and for her general release of claims.

15 p. "Individual PAGA Settlement Payment(s)" means each PAGA Group Member's
16 respective share of the PAGA Settlement Amount. Individual PAGA Settlement Payments will be
17 determined by the calculations provided in this Agreement.

18 q. "Individual Settlement Payment(s)" means each Participating Class Member's
19 respective share of the Net Settlement Amount. Individual Settlement Payments will be determined
20 by the calculations provided in this Agreement.

21 r. "LWDA" means the State of California Labor and Workforce Development Agency.

22 s. "LWDA Payment" means 75% of the \$50,000 allocated to the settlement of PAGA
23 claims which, subject to Court approval, will be paid to the LWDA pursuant to Section 3.06(e) of
24 this Agreement, as provided for below.

25 t. "Motion for Final Approval" means Plaintiff's submission of a written motion,
26 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
27 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
28 to enter a Final Order in this Action.

1 u. "Motion for Preliminary Approval" means Plaintiff's submission of a written motion,
2 including any evidence as may be required for the Court to grant preliminary approval of the
3 Settlement as required by Rule 3.769 of the California Rules of Court.

4 v. "Named Plaintiff" means Christine Arcaro.

5 w. "Net Settlement Amount" means the Gross Settlement Amount less Court-approved
6 Settlement Administration costs, Class Counsels' attorney's fees and costs, Incentive Award, and
7 PAGA Settlement Amount, pursuant to Section 3.06(a)-(f) below.

8 x. "Non-Participating Class Member(s)" means any Class Member(s) who submit to the
9 Settlement Administrator a valid and timely written request to be excluded from the Class pursuant
10 to Section 3.04(b) below.

11 y. "Notice Packet" means the Notice of Proposed Class Action Settlement in a form
12 substantially similar to the Notice Packet attached hereto as **Exhibit A**, subject to Court approval.

13 z. "PAGA" means the California Private Attorneys General Act of 2004, which is
14 codified in California Labor Code §§ 2698 *et seq.*

15 aa. "PAGA Settlement Amount" means the portion of the Gross Settlement Amount
16 allocated to the resolution of PAGA Group Members' claims arising under PAGA. The Parties have
17 agreed that the PAGA Settlement Amount is Fifty Thousand Dollars and Zero Cents (\$50,000.00),
18 subject to Court approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA
19 Payment, and the remaining 25% will be distributed to PAGA Group Members.

20 bb. "PAGA Group Members" means all Class Members employed by Defendants at any
21 time during the PAGA Period.

22 cc. "PAGA Period" means April 12, 2021 through October 20, 2023.

23 dd. "Participating Class Member(s)" is defined as a Class Member who does not timely
24 exclude himself or herself from the Settlement and will therefore receive his or her share of the Net
25 Settlement Amount automatically without the need to return a claim form. Each Participating Class
26 Member will be paid his/her Individual Settlement Payment.

27 ee. "Preliminary Approval Date" means the date the Court preliminarily approves the
28 Settlement embodied in this Agreement.

1 ff. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury
2 Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement
3 Administrator for the benefit of Participating Class Members.

4 gg. “Qualifying Workweeks” means the number of weeks that Class Members worked
5 for Defendants as non-exempt employees during the Class Period.

6 hh. “Released Parties” means AW Malik, Inc. and AMSU Financial, Inc, their current or
7 former officers, shareholders, directors owners, agents, current and former employees, attorneys,
8 insurers, predecessors or successors, or any alleged joint employer or alter-ego.

9 ii. “Response Deadline” means the deadline by which Class Members must postmark or
10 fax to the Settlement Administrator requests for exclusion or written notices of objection. The
11 Response Deadline will be thirty (30) calendar days after the initial mailing of the Notice Packet by
12 the Settlement Administrator, unless the thirtieth (30th) calendar day falls on a Sunday or federal
13 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
14 Postal Service is open. The Response Deadline will be extended as set forth herein if there is a re-
15 mailing.

16 jj. “Settlement Administration Costs” means all costs incurred by the Settlement
17 Administrator in administration of the Settlement, including, but not limited to, mailing of the Notice
18 Packet to the class, calculation of Individual Settlement Payments and Individual PAGA Settlement
19 Payments, generation of Individual Settlement Payments and Individual PAGA Settlement checks
20 and related tax reporting forms, administration of unclaimed checks, and generation of checks to
21 Class Counsel for attorneys’ fees and costs, to Named Plaintiff for her Incentive Award, and to the
22 LWDA. The Settlement Administration Costs shall be paid from the Gross Settlement Amount.

23 kk. “Settlement Administrator” means Phoenix Settlement Administrators, Inc., which
24 the Parties have agreed will be responsible for the administration of the Individual Settlement
25 Payments to be made by Defendants from the Gross Settlement Amount and related matters under
26 this Agreement.

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4 Because the Parties have stipulated to the certification of the Class with respect to all causes
5 of action alleged in the Action for settlement purposes only, this Agreement requires preliminary and
6 final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis.
7 This Agreement is contingent upon the approval and certification by the Court pursuant to the terms
8 set forth herein. If the Date of Finality does not occur, the fact that the Parties were willing to stipulate
9 for the purposes of this Agreement to a Class shall have no bearing on, nor be admissible in any
10 proceeding for any purpose whatsoever including, but not limited to, the issue of certification of the
11 Class with respect to all causes of action alleged in the Action. Defendants do not consent to
12 certification of the Class for any purpose other than to effectuate settlement of the Action. If the Date
13 of Finality does not occur, or if Disposition of this Action is not effectuated, any certification of the
14 Class as to Defendants will be vacated and Named Plaintiff, Defendants, and the Class will be
15 returned to their positions with respect to the Action as if the Agreement had not been entered into.
16 In the event that the Date of Finality does not occur: (a) any Court orders preliminarily or finally
17 approving certification of any class contemplated by this Agreement shall be null, void, and vacated,
18 and shall not be used or cited thereafter by any person or entity for any purpose whatsoever; and (b)
19 the fact of the settlement reflected in this Agreement, the fact that Defendants did not oppose the
20 certification of a Class under this Agreement, or that the Court preliminarily approved the
21 certification of the Class, shall not be used or cited thereafter by any person or entity, in any manner
22 whatsoever, including without limitation any contested proceeding relating to the certification of any
23 class. If the Date of Finality does not occur, this Agreement shall be deemed null and void, shall be
24 of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever.
25 Defendants expressly reserves the right to challenge the propriety of class certification in the Action
26 for any purpose, if the Date of Finality does not occur.

The Parties and their respective counsel shall take all steps that may be requested by the Court relating to the approval and implementation of this Agreement and shall otherwise use their

1 respective best efforts to obtain Court approval and implement this Agreement. If the Court does not
2 grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree
3 to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a
4 resolution, the Parties agree to seek the assistance of mediator Michael Loeb to resolve the dispute.

5 **ARTICLE III**

6 **PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT**

7 The procedure for obtaining Court approval of and implementing this Agreement shall be as
8 follows:

9 **Section 3.01: Motion for Conditional Class Certification and Preliminary Approval**

10 Named Plaintiff will bring a motion before the Court for an order conditionally certifying the
11 Class to include all claims pled in the Action based on the preliminary approval of this Agreement.
12 The date that the Court grants preliminary approval of this Agreement will be the "Preliminary
13 Approval Date."

14 **Section 3.02: The Settlement Administrator**

15 The Parties have chosen Phoenix Settlement Administrators, Inc. to administer this
16 Settlement and to act as the Settlement Administrator, including but not limited to distributing and
17 responding to inquiries about the Notice Packet, determining the validity of exclusions/opt-outs,
18 calculating the Net Settlement Amount and the Individual Settlement Payments and Individual
19 PAGA Settlement Payments, issuing the Individual Settlement Payment and Individual PAGA
20 Settlement Payment checks and distributing them to Participating Class Members and PAGA Group
21 Members, issuing the LWDA Payment to the LWDA, establishing and maintaining the QSF, and
22 issuing the payment to Class Counsel for attorneys' fees and costs, the Incentive Award check to
23 Named Plaintiff, and the employer payroll taxes to the appropriate taxing authorities. The Settlement
24 Administrator shall expressly agree to all of the terms and conditions of this Agreement.

25 All costs of administering the Settlement, including but not limited to all costs and fees
26 associated with preparing, issuing and mailing any and all notices to Class Members, all costs and
27 fees associated with computing, processing, reviewing, and mailing the Individual Settlement
28 Payments, Individual PAGA Settlement Payments and LWDA Payment, all costs and fees associated

1 with preparing any tax returns and any other filings required by any governmental taxing authority
2 or agency, all costs and fees associated with preparing any other checks, notices, reports, or filings
3 to be prepared in the course of administering disbursements from the Net Settlement Amount, and
4 any other costs and fees incurred and/or charged by the Settlement Administrator in connection with
5 the execution of its duties under this Agreement (“Settlement Administration Costs”), shall be paid
6 to the Settlement Administrator from the Gross Settlement Amount.

7 **Section 3.03: Notice to Class Members**

8 No later than five (5) business days after the Preliminary Approval Date, Defendants will
9 provide the Settlement Administrator with a “Class List” in electronic format based on its business
10 records, identifying the names of the Class Members, their last known home addresses, Social
11 Security numbers or, as applicable, other taxpayer identification number, their dates of employment
12 and weeks worked during the Class Period.

13 Within ten (10) business days of receiving a Class List from Defendant, the Settlement
14 Administrator will send Class Members, by first-class mail, at their last known address, the Court
15 approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the
16 Settlement Class. The Notice Packet will include a calculation of the Class Member’s approximate
17 share of the Net Settlement Amount. Class Members will have thirty (30) days from the date of
18 mailing in which to postmark objections or requests for exclusion. Prior to the initial mailing, the
19 Settlement Administrator will check all Class Member addresses against the National Change of
20 Address database and shall update any addresses before mailing. The Settlement Administrator will
21 skip trace and re-mail all returned, undelivered mail within five (5) days of receiving notice that a
22 Notice Packet was undeliverable. If a Class Member’s notice is re-mailed, the Class Member shall
23 have fifteen (15) calendar days from the re-mailing, or thirty (30) calendar days from the date of the
24 initial mailing, whichever is later, in which to postmark objections or requests for exclusion. Class
25 Members shall not be required to submit claim forms in order to receive a proportional share of the
26 Net Settlement Amount.

27 If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall
28 re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose

1 Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement
2 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
3 mass search on LexisNexis or comparable databases based on set criteria and, if another address is
4 identified, shall mail the Notice Packet to the newly identified address. It is the intent of the parties
5 that reasonable means be used to locate Class Members and that the Settlement Administrator be
6 given discretion to take steps in order to facilitate notice of the Settlement and delivery of the
7 Individual Settlement Payment and Individual PAGA Settlement Payment checks.

8 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
9 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
10 status report provided to the Parties.

11 In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days
12 after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
13 Member's Individual Settlement Payment or Individual PAGA Settlement Payment, if eligible. The
14 Settlement Administrator will hold the Class Member's Individual Settlement Payment and
15 Individual PAGA Settlement Payment (if eligible) during the check cashing period on behalf of the
16 Class Member. If at the conclusion of the check cashing period the Class Member's Notice Packet
17 and Individual Settlement Payment and/or Individual PAGA Settlement Payment remain
18 undeliverable and/or unclaimed and uncashed, the Settlement Administrator will distribute the funds
19 from unclaimed/uncashed checks in accordance with the procedures set forth in Section 3.06(g)
20 below.

21 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
22 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
23 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
24 for and re-sending of any returned Notice Packets, as well as the number of and the identify of the
25 individuals who returned valid requests for exclusion and/or objections that the Settlement
26 Administrator received.

1 **Section 3.04: Responses to Notice**

2 **a. Class Member Disputes**

3 If any Class Member or PAGA Group Member disagrees with Defendants' records as to his
4 or her Qualifying Workweeks and/or the number of pay periods worked during the PAGA Period as
5 reflected in the Notice Packet, the Class Member shall set forth in writing the Qualifying Workweeks
6 and/or pay periods he/she claims to have worked during the Class Period and/or PAGA Period and
7 submit such writing to the Settlement Administrator by the Response Deadline, along with any
8 supporting documentation. The Notice will also provide a method for the Class Member or PAGA
9 Group Member to challenge the employment data on which his or her Individual Settlement Payment
10 and/or Individual PAGA Settlement Payment is based. The Settlement Administrator shall contact
11 the Parties regarding the dispute and the Parties and the Settlement Administrator will work in good
12 faith to resolve it. If the Parties and the Settlement Administrator are unable to resolve the dispute,
13 the Court will be the final arbiter of the Qualifying Workweeks or number of pay periods for each
14 Class Member or PAGA Group Member during the Class Period and/or PAGA Period, respectively,
15 based on the information provided to it.

16 **b. Requests for Exclusion from Class**

17 In order for any Class Member to validly exclude himself or herself from the Class and this
18 Settlement (*i.e.*, to validly opt out), a written request for exclusion must be signed by the Class
19 Member or his or her authorized representative, and must be sent to the Settlement Administrator,
20 postmarked no later than the Response Deadline (or fifteen (15) days after the Settlement
21 Administrator re-mails the Notice to the Class Member, whichever is later). The Notice Packet shall
22 contain instructions on how to validly exclude himself or herself from the Class and this Settlement
23 (*i.e.*, opt out), including the language to be used in a request for exclusion. The date of the initial
24 mailing of the Notice Packet, and the date the signed request for exclusion was postmarked, shall be
25 conclusively determined according to the records of the Settlement Administrator. Any Class
26 Member who timely and validly requests exclusion from the Class and this Settlement will not be
27 entitled to any Individual Settlement Payment, will not be bound by the terms and conditions of this
28 Agreement, and will not have any right to object, appeal, or comment thereon. Any Non-Participating

1 Class Member who is also a PAGA Group Member will still receive his or her Individual PAGA
2 Settlement Payment and will still be bound by the terms of the PAGA release set forth in Section
3 5.02 below.

4 Any Class Member who fails to timely submit a request for exclusion shall automatically be
5 deemed a Class Member whose rights and claims with respect to the issues raised in the Action are
6 determined by the Court's Final Order Approving Settlement of Class Action, and by the other
7 rulings in the Action. Thus, said Class Member's rights to pursue any claims covered by the Action
8 and/or released in this Agreement will be extinguished.

9 **c. Objections to Settlement**

10 For any Class Member to object to this Agreement, or any term of it, the person making the
11 objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the
12 Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15)
13 days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later),
14 a written statement of the grounds of objection, signed by the objecting Class Member or his or her
15 attorney, along with all supporting papers. The date of the initial mailing of the Notice Packet, and
16 the date the signed objection was postmarked, shall be conclusively determined according to the
17 records of the Settlement Administrator. The Settlement Administrator shall send any objections it
18 receives to Defense Counsel and Class Counsel within three (3) business days of receipt. Class
19 Members may also appear at the final approval hearing to object. The Court retains final authority
20 with respect to the consideration and admissibility of any Class Member objections.

21 **d. Encouragement of Class Members**

22 The Parties to this Agreement and the counsel representing such Parties shall not, directly or
23 indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from
24 this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries from
25 Class Members.

26 **e. Right of Plaintiff to Adjust Gross Settlement Amount**

27 Defendants have estimated the number of Qualifying Workweeks is 100,000. If the number
28 of Qualifying Workweeks increases by more than 10% (which is more than 110,000 Qualifying

Workweeks) as of the end of the Class Period, there will be a pro rata adjustment to the Gross Settlement Amount as follows: \$10.00 for each additional Qualifying Workweek over 110,000 workweeks.

f. Defendants' Option to Void the Settlement

Defendants shall have, in their sole discretion, the option to void and withdraw from the Settlement if, at any time prior to Final Approval, ten percent (10%) or more of Class Members timely and validly request exclusion from the Settlement. Defendants must exercise this right of rescission in writing to Class Counsel within ten (10) business days after the latest date any Class Member may timely submit his or her request for exclusion. If Defendants exercises the right to void the Settlement, then Defendants will pay the cost of the settlement administration incurred.

Section 3.05: Final Fairness and Approval Hearing

On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement and determine whether the Court should give it final approval, and (2) consider any objections made and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a Proposed Final Order Approving Settlement of Class Action.

Section 3.06: Settlement Payment Procedures

a. Settlement Amount

In exchange for the Released Claims set forth in this Agreement, Defendants agree to pay the Gross Settlement Amount in the amount of One Million Dollars and Zero Cents (\$1,000,000.00), subject to a pro rata increase under the condition set forth in Section 3.04(e). The Gross Settlement Amount includes all Individual Settlement Amounts to Participating Class Members, all Individual PAGA Settlement Amounts to PAGA Group Members, all Settlement Administration costs, Class Counsel's attorney's fees and costs, the LWDA Payment, and the Incentive Payment.

Within sixty (60) calendar days after the Court signs the Final Order, and assuming the Date of Finality has passed, Defendants shall transfer 50% of the Gross Settlement Amount into a QSF established by the Settlement Administrator either directly or by sending the funds to the Settlement

1 Administer to be deposited and distributed. The remaining 50% of the Gross Settlement Amount plus
2 Defendants' share of employer-side payroll taxes, as set forth herein, shall be due on January 2, 2025,
3 assuming the Court has signed the Final Order by this date. If the Court has not signed the Final
4 Order by January 2, 2025, then the full Gross Settlement Amount plus Defendants' share of
5 employer-side payroll taxes are due within sixty (60) calendar days of the date the Court signs the
6 Final Order, assuming the Date of Finality has passed. The Settlement Administrator will use these
7 funds to fund payment of the Individual Settlement Payments to Participating Class Members, the
8 Individual PAGA Settlement Amounts to PAGA Group Members, the Settlement Administration
9 costs, Class Counsel's attorney's fees and costs, the LWDA Payment, and the Incentive Payment. If
10 the Date of Finality has not passed when funding is due as set forth above, Defendants shall pay the
11 Gross Settlement Amount within ten (10) business days after the Date of Finality.

12 Within ten (10) business days after receiving Defendants' final payment, funding the Gross
13 Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments
14 to Participating Class Members, the Individual PAGA Settlement Amounts to PAGA Group
15 Members, Class Counsel's attorneys' fees and costs, LWDA Payment, the Incentive Award, and
16 employer and employee tax withholdings applicable to the Net Settlement Amount allocated to
17 wages. Prior to this distribution, the Settlement Administrator will perform a search based on the
18 National Change of Address Database to update and correct for any known or identifiable address
19 changes.

20 **b. Payment of Attorneys' Fees and Costs**

21 Class Counsel shall submit an application for an award of attorneys' fees of up to one-third
22 of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is Three
23 Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents
24 (\$333,333.33). Class Counsel shall submit an application for an award of costs not to exceed Thirty
25 Thousand Dollars (\$30,000.00). Such application for attorneys' fees and costs shall be heard by the
26 Court at the Final Fairness and Approval Hearing. Defendants shall not object to or oppose any such
27 application in these amounts. Class Counsel shall serve Defendants with copies of all documents
28 submitted in support of their application for an award of attorneys' fees and costs.

Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys' fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs, and expenses related to the investigation, prosecution, and settlement of the Action incurred through the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees and/or costs that Class Counsel requests, the difference between the requested and awarded amounts will be reallocated to the Net Settlement Amount.

c. Payment of Settlement Administration Costs

The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and shall not constitute payment to any Participating Class Member(s). The amount shall not exceed Twenty-Two Thousand Nine Hundred Fifty Dollars (\$22,950.00).

d. Payment of Incentive Award to Named Plaintiff

Subject to Court approval, the Named Plaintiff shall each receive an Incentive Award of up to Ten Thousand Dollars (\$10,000.00), the request for which Defendants will not object to or oppose. The Incentive Award shall be paid out of the Gross Settlement Amount and shall not constitute payment to any Participating Class Member(s) other than Named Plaintiff. To the extent that the Court approves less than the amount of incentive award that Class Counsel request, the difference between the requested and awarded amounts will be reallocated to the Net Settlement Amount.

Because it is the intent of the Parties that the Incentive Award represent payment to Named Plaintiff for her service to the Class Members, and not wages, the Settlement Administrator will not withhold any taxes from the Incentive Awards. The Incentive Awards will be reported on a Form 1099, which the Settlement Administrator will provide to Named Plaintiff and to the pertinent taxing authorities as required by law.

e. Payment to the Labor and Workforce Development Agency

In consideration of claims made under PAGA, Class Counsel will request that the Court approve allocation of Fifty Thousand Dollars (\$50,000) of the Gross Settlement Amount to the settlement and release of these claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and Workforce Development Agency ("LWDA Payment"), and twenty-five

1 percent (25%) will be paid to the PAGA Group Members. Defendants will not oppose this request.
2 The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount. The Court's
3 adjustment, if any, of the amount allocated to Named Plaintiff's PAGA claim in the Action, will not
4 invalidate this Agreement.

5 **f. Payment of Individual Settlement Payments to Participating Class Members**

6 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
7 Payments. The Parties agree that the Net Settlement Amount shall be divided between all
8 Participating Class Members in proportion to the number of individual Qualifying Workweeks for
9 each Class Member. To calculate the minimum amount each Class Member will receive based on
10 their individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total
11 number of Qualifying Workweeks by all Class Members during the Class Period and then allocated
12 on a pro rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class
13 Member's approximate Individual Settlement Payment amount will be included in his or her Notice
14 Packet. After final approval by the Court, the Net Settlement Amount will be dispersed to
15 Participating Class Members on a pro rata basis based on the individual Qualifying Workweeks
16 worked during the Class Period by each Participating Class Member.

17 The PAGA Settlement Amount to be distributed to PAGA Group Members shall be divided
18 between all PAGA Group Members in proportion to the number of pay periods that each PAGA
19 Group Member worked during the PAGA Period. To calculate the minimum amount each PAGA
20 Group Member will receive based on their individual pay periods, 25% of the PAGA Settlement
21 Amount (or \$12,500) will be divided by the total number of pay periods by all PAGA Group
22 Members during the PAGA Period and then allocated on a pro rata basis. Pay periods will be rounded
23 up to the next whole integer. Each PAGA Group Member's approximate Individual PAGA
24 Settlement Payment will be included in his or her Notice Packet. After final approval by the Court,
25 the PAGA Settlement Amount will be dispersed to all PAGA Group Members on a pro rata basis
26 based on the number of pay periods worked during the PAGA Period by each PAGA Group Member.

27 Each Individual Settlement Payment will represent the settlement of claim for wages and
28 penalties allocated using the following formula: 20% allocated to settling claims for wages; 80%

1 allocated to settling claims for interest and penalties. Individual PAGA Settlement Payments will be
2 allocated as 100% penalties. The amounts paid to settle claims for wages shall be subject to all tax
3 withholdings customarily made from an employee's wages and all other authorized and required
4 withholdings and shall be reported by W-2 forms. The employer-side taxes will be paid separate from
5 and in addition to the Gross Settlement Amount. The amounts paid to the settle claim for penalties
6 and interest shall be subject to all authorized and required withholdings other than the tax
7 withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms.

8 No later than ten (10) business days after receiving the Gross Settlement Amount from
9 Defendants, the Settlement Administrator shall prepare and mail the checks for the Individual
10 Settlement Payments to Participating Class Members. Individual Settlement Payments paid from the
11 Net Settlement Amount characterized as wages for purposes of settlement will be reduced by
12 applicable employer and employee tax withholdings, and the Settlement Administrator will issue a
13 Form W-2 for the wage portion of the Individual Settlement Payments. The Settlement Administrator
14 will issue a Form 1099 to the extent required by law for the interest and penalty portions of the
15 Individual Settlement Payments and Individual PAGA Settlement Payments. Class Members shall
16 have 180 days from the date their Individual Settlement Payment checks and Individual PAGA
17 Settlement Payment checks are dated to cash their checks. Any checks that are not cashed upon the
18 expiration of that 180-day time period will be void, and the uncashed funds shall be paid to the State
19 Controller Unclaimed Property Fund in the name of the Class Member for whom the funds are
20 designated.

21 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
22 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
23 a mass search on LexisNexis or a comparable databases based on set criteria and, if another address
24 is identified, the Settlement Administrator shall mail the check to the newly identified address. If the
25 Settlement Administrator is unable to obtain a valid mailing address through this process, the
26 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
27 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

28 **g. Default on Payment.**

1 In the event Defendants do not pay any portion of the Gross Settlement Amount, it shall be
2 considered a default. In the event Defendants fails to make any payment on the date it is due as set
3 forth in Section 3.06(a), the Settlement Administrator will provide notice to Class Counsel and
4 Defendants' counsel within three (3) business days of the missed payment. Thereafter, Defendants
5 will have seven (7) days to cure the default and tender payment to the Settlement Administrator. In
6 the event Defendants fail to cure the default within the times set forth herein, Named Plaintiff may
7 elect to enter judgment against Defendants, on an ex parte basis, for the balance of the unpaid Gross
8 Settlement Amount to date, and Named Plaintiff will be entitled to recover interest at ten percent
9 (10%) per year from the due date for such payment and reasonable attorneys' fees and costs.

10 **h. No Credit Toward Benefit Plans.**

11 The Individual Settlement Payments made to Participating Class Members under this
12 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to
13 calculate any additional benefits under any benefit plans to which any Class Members may be
14 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase
15 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
16 intention that this Agreement will not affect any rights, contributions, or amounts to which any Class
17 Members may be entitled under any benefit plans.

18 **ARTICLE IV**

19 **LIMITATIONS ON USE OF THIS SETTLEMENT**

20 **Section 4.01: No Admission**

21 Defendants dispute the allegations in the Action and disputes that, but for this Settlement, a
22 Class should not have been certified in the Action. This Agreement is entered into solely for the
23 purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be
24 construed as an admission of liability or wrongdoing by Defendants.

25 **Section 4.02: Non-Evidentiary Use**

26 Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor
27 the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or
28 deemed to be evidence for any purpose adverse to Defendants or any other of the Released Parties,

1 including but not limited to, evidence of a presumption, concession, indication, or admission by any
2 of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or
3 (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further
4 proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this
5 Agreement or for Defendants to establish that a Class Member has resolved any of his or her claims
6 released through this Agreement.

7 **Section 4.03: Nullification**

8 The Parties have agreed to the certification of the Class encompassing all claims alleged in
9 the Action for the sole purpose of effectuating this Agreement. If (a) the Court should for any reason
10 fail to certify this Class for settlement, or (b) the Court should for any reason fail to approve this
11 Settlement, or (c) the Court should for any reason fail to enter the Final Order, or (d) the Final Order
12 is reversed, or declared or rendered void, or (e) the Court should for any reason fail to dispose of the
13 Action in its entirety, then (i) this Agreement shall be considered null and void; (ii) neither this
14 Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all
15 Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had
16 been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to
17 stipulate to class certification of all causes of action pled in the Action as part of the Settlement will
18 have no bearing on, and will not be admissible for any purpose including, but not limited to, in
19 connection with, the issue of whether the Class should be certified by the Court in a non-settlement
20 context in this Action or any other action, and in any of those events, Defendants expressly reserves
21 the right to oppose certification of the Class.

22 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the
23 Gross Settlement Amount shall not be distributed pending the completion of the appeal.

24 **ARTICLE V**

25 **RELEASES**

26 **Section 5.01: Released Claims by Class Members**

27 Upon the date Defendants fully fund the Gross Settlement Amount, Named Plaintiff and
28 Participating Class Members release the Released Parties from any and all claims alleged in named

1 Plaintiff's Operative Complaint, or could have been alleged, based on the facts alleged in the
2 operative complaint, during the Class Period, including but not limited to (1) failure to pay minimum
3 wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize
4 or permit rest periods; (5) failure to reimburse business expenses; (6) failure to furnish accurate
5 itemized wage statements wage statement violations; (7) failure to pay wages timely during
6 employment; (8) failure to pay all wages due upon separation of employment; and (7) violation of
7 California Business and Professions Code §§17200, *et seq.*, based on the preceding claims.

8 **Section 5.02: Released Claims by PAGA Group Members**

9 Upon the date Defendants fully fund the Gross Settlement Amount, Named Plaintiff, the State
10 of California, and PAGA Group Members release the Released Parties from all claims exhausted in
11 Plaintiff's notice(s) sent to the LWDA and alleged in the operative complaint, which arose during
12 the PAGA Period, regardless of whether PAGA Group Members opt out of the Class Settlement.

13 **Section 5.03: Named Plaintiff's General Release Including Release of Unknown Claims**

14 Upon the date Defendants fully funds the Gross Settlement Amount, Named Plaintiff waives,
15 releases, acquits, and forever discharges the Released Parties, to the fullest extent permitted by law,
16 from any and all claims, demands, assertions of liability, causes of action, obligations, damages,
17 claims for indemnity of any kind, nature or character whatsoever, whether or not now known,
18 suspected, or claimed, arising out of Plaintiff's employment with or separation from AW Malik
19 and/or AMSU Financial (the "Released Claims"). The Released Claims specifically include, but are
20 not limited to, any and all claims alleged in the Action, including but not limited to her individual
21 wage and hour claims, the alleged predicate Labor Code violations as set forth in the PAGA Notice
22 and/or Action, and any and all other claims arising under the California Fair Employment and
23 Housing Act; the California Family Rights Act; the California Labor Code and wage orders; the
24 California Business and Professions Code; the California or federal constitution; and any other state
25 or federal anti-discrimination or labor law including, but not limited to Title VII (42 U.S.C. § 2000e
26 *et seq.*) as amended, the Family and Medical Leave Act, the Americans with Disabilities Act, any
27 common law, whether state or federal; or any agreement between Parties except for this Agreement
28 and the MOU. The release herein does not cover claims that cannot lawfully be released, including,

1 without limitation, any claim for workers' compensation benefits or state disability benefits. . It is
2 the intention of the Parties that the releases contained herein shall be effective as a full and final
3 accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses,
4 attorneys' fees, damages, losses, claims, liabilities, and demands of Plaintiff of any nature, character
5 or kind, known or unknown, suspected or unsuspected, arising out of the subject matter of the
6 Released Claims. Plaintiff acknowledges that she is familiar with Section 1542 of the California
7 Civil Code, which provides as follows:

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

12 Plaintiff's general release provided herein is made with an express waiver and relinquishment
13 of any claim, right, or benefit under California Civil Code § 1542.

14 **ARTICLE VI**

15 **MISCELLANEOUS PROVISIONS**

16 **Section 6.01: Amendments or Modification**

17 The terms and provisions of this Agreement may be amended or modified only by an express
18 written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel,
19 and approved by the Court.

20 **Section 6.02: Assignment**

21 None of the rights, commitments, or obligations recognized under this Agreement may be
22 assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
23 consent of each other Party and their respective counsel. The representations, warranties, covenants,
24 and agreements contained in this Agreement are for the sole benefit of the Parties under this
25 Agreement and shall not be construed to confer any right or to avail any remedy to any other person.
26
27
28

1 **Section 6.03: Governing Law**

2 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
3 shall be determined, in accordance with the laws of the State of California, without regard to conflicts
4 of laws.

5 **Section 6.04: Entire Agreement**

6 This Agreement, including the Exhibits referred to herein, which form an integral part hereof,
7 contains the entire understanding of the Parties with respect to the subject matter contained herein.
8 In case of any conflict between text contained in Articles I through VI of this Agreement and text
9 contained in the Exhibits to this Agreement, the former (*i.e.*, Articles I through VI) shall be
10 controlling, unless the Exhibits are changed by or in response to a Court order. There are no
11 restrictions, promises, representations, warranties, covenants, or undertakings governing the subject
12 matter of this Agreement other than those expressly set forth or referred to herein. This Agreement
13 supersedes all prior agreements and understandings among the Parties with respect to the settlement
14 of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of
15 prior agreements or proposals.

16 **Section 6.05: Waiver of Compliance**

17 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
18 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
19 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
20 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or
21 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
22 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

23 **Section 6.06: Counterparts and Fax/PDF Signatures**

24 This Agreement, and any amendments hereto, may be executed in any number of counterparts
25 and any Party and/or their respective counsel may execute any such counterpart, each of which when
26 executed and delivered shall be deemed to be an original. All counterparts taken together shall
27 constitute one instrument. A fax or PDF signature on this Agreement shall be as valid as an original
28 signature.

1 **Section 6.07: Meet and Confer Regarding Disputes**

2 Should any dispute arise among the Parties or their respective counsel regarding the
3 implementation or interpretation of this Agreement, a representative of Class Counsel and a
4 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
5 to submitting such disputes to the Court.

6 **Section 6.08: Agreement Binding on Successors**

7 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
8 of each of the Parties.

9 **Section 6.09: Cooperation in Drafting**

10 The Parties have cooperated in the negotiation and preparation of this Agreement. This
11 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
12 was the drafter or participated in the drafting of this Agreement.

13 **Section 6.10: Fair and Reasonable Settlement**

14 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
15 the Action and have arrived at this Agreement through arm's-length negotiation and in the context
16 of adversarial litigation, taking into account all relevant factors, current and potential. The Parties
17 further believe that the Settlement is and is consistent with public policy, and fully complies with
18 applicable law.

19 **Section 6.11: Headings**

20 The descriptive heading of any section or paragraph of this Agreement is inserted for
21 convenience of reference only and does not constitute a part of this Agreement and shall not be
22 considered in interpreting this Agreement.

23 **Section 6.12: Notice**

24 Except as otherwise expressly provided in the Agreement, all notices, demands, and other
25 communications under this Agreement must be in writing and addressed as follows:

26 *To Named Plaintiff and the Class:*

27 AEGIS LAW FIRM, PC
28 Kashif Haque

Samuel A. Wong
Jessica L. Campbell
Kristy R. Connolly
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251

And

To Defendants:

ROGERS JOSEPH O'DONNELL
Dennis C. Huie
Whitney R. Miner
311 California Street, 10th Fl.
San Francisco, CA 94104
Telephone: 415.956.2828
Facsimile: 415.956.6457

Section 6.13: Enforcement of Settlement and Continuing Court Jurisdiction

To the extent consistent with class action procedure, this Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Action or the liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall retain continuing jurisdiction over this Action and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Agreement. In the event that one or more of the Parties, or Class Member institutes any legal action or other proceeding against any other Party, Parties or Class Member to enforce the provisions of this Settlement, the successful party or parties to that enforcement action will be entitled to recover from the unsuccessful party or parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

Section 6.14: Mutual Full Cooperation

The Parties agree fully to cooperate with each other to accomplish the terms of this Agreement, including but not limited to the execution of such documents, and the taking of such other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties

1 to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its
2 terms. In the event the Parties are unable to reach agreement on the form or content of any document
3 needed to implement the Settlement, or on any supplemental provisions that may become necessary
4 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court.

5 **Section 6.15: Authorization to Act**

6 Class Counsel warrants and represents that they are authorized by Named Plaintiff, and
7 Defense Counsel warrants that they are authorized by Defendants, to take all appropriate action
8 required to effectuate the terms of this Agreement, except for signing documents, including but not
9 limited to this Agreement, that are required to be signed by the Parties themselves. Defendants
10 represent and warrant that the individual executing this Agreement on their behalf has the full right,
11 power, and authority to enter into this Agreement and to carry out the transactions contemplated
12 herein.

13 **Section 6.16: No Reliance on Representations**

14 The Parties have made such investigation of the facts and the law pertaining to the matters
15 described herein and to this Agreement as they deem necessary, and have not relied, and do not rely,
16 on any statement, promise, or representation of fact or law, made by any of the other parties, or any
17 of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted
18 rights, or with regard to the advisability of entering into and executing this Agreement, or with respect
19 to any other matters. No representations, warranties, or inducements, except as expressly set forth
20 herein, have been made to any party concerning this Agreement.

21
22
23 **EXECUTION BY PARTIES AND COUNSEL**

24 The Parties and their counsel hereby execute this Agreement.

25 Dated: Dec 13, 2023

CHRISTINE ARCARO

26 
27 By: Christine Arcaro (Dec 13, 2023 17:48 PST)

28 Named Plaintiff

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Dated: _____

AW MALIK, INC.

By: _____
(Signature)

(Printed Name)

(Title)

Dated: _____

AMSU FINANCIAL, INC.

By: _____
(Signature)

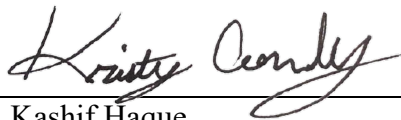
(Printed Name)

(Title)

APPROVED AS TO FORM ONLY:

Dated: 12/14/2023

AEGIS LAW FIRM, PC

By: 
Kashif Haque
Kristy R. Connolly

Attorneys for Named Plaintiff Christine Arcaro

Dated: _____

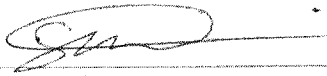
ROGERS JOSEPH O'DONNELL

By: _____
Dennis C. Huie
Whitney R. Miner

Attorneys for Defendants AW Malik, Inc. and
AMSU Financial, Inc.

1 Dated: 12/13/2023

AW MALIK, INC.

2 By: 
3 (Signature)

4 Shahid Chaudhry
5 (Printed Name)

6 Partner
7 (Title)

8 Dated: 12/13/2023

AMSU FINANCIAL, INC.

9 By: 
10 (Signature)

11 Shahid Chaudhry
12 (Printed Name)

13 Partner
14 (Title)

15 APPROVED AS TO FORM ONLY:

16 Dated: _____

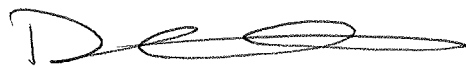
AEGIS LAW FIRM, PC

17
18 By: _____
19 Kashif Haque
Kristy R. Connolly

20 Attorneys for Named Plaintiff Christine Arcaro

21
22 Dated: 12/18/23

ROGERS JOSEPH O'DONNELL

23 By: 
24

25 Dennis C. Huie
Whitney R. Miner

26 Attorneys for Defendants AW Malik, Inc. and
27 AMSU Financial, Inc.

EXHIBIT A

THIS IS AN IMPORTANT COURT APPROVED NOTICE. READ CAREFULLY.

Christine Arcaro v. AW Malik, Inc., et al.
San Bernardino County Superior Court, Case No. CIVSB2207625

If you worked for AW Malik, Inc. and/or AMSU Financial, Inc. as a non-exempt employee, in California at any time from October 16, 2017 through October 20, 2023, the settlement of this class action lawsuit may affect your rights.

This is a court-authorized notice. It is not a solicitation from a lawyer.

- A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Christine Arcaro v. AW Malik, Inc., et al.* Case No. CIVSB2207625 (San Bernardino County Superior Court) (the “Lawsuit”). The purpose of this Notice of Class Action Settlement (“Notice”) is to briefly describe the Lawsuit, and to inform you of your rights and options in connection with the Lawsuit and the Settlement.
- The Court has preliminarily approved a class action settlement with Defendants AW Malik, Inc. and AMSU Financial, Inc. (“Defendants”), which will affect all non-exempt employees who worked for either Defendants in California at any time from October 16, 2017 through October 20, 2023.
- If the Court grants final approval of the Settlement, there may be money available to you.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
PARTICIPATE IN THE SETTLEMENT – <u>NO ACTION REQUIRED</u>	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you become part of the Class and will be entitled to a settlement award as detailed below. But, you will not be able to bring your own lawsuit against Applied Earthworks for violations that relate to the claims brought in this Lawsuit.
OBJECT TO THE SETTLEMENT	Stay in this Lawsuit. Object. Receive a payment. Give up certain rights. If you object to the settlement, you will remain a member of the Class. If the Court approves the settlement, you will be entitled to collect a settlement award and be bound by the terms of the settlement in the same way as Class Members who do not object.
ASK TO BE EXCLUDED	Get out of this Lawsuit. Receive no payment from the class settlement. Keep your rights. If you ask to be excluded from the Settlement, you will not receive any payment from the settlement award. But, you keep your right to sue Defendants for the legal claims raised in this Lawsuit.

- **Regardless of the option you choose, you will not be retaliated against.**
- Your options are explained in this notice. To object to the settlement or to ask to be excluded, you must act before .

- **Any questions?** Read on or contact Class Counsel or the Settlement Administrator listed below.

BASIC INFORMATION

1. Why did I get this notice?

Defendants' records show that you worked for one or both of the companies as a non-exempt employee in California at some point between October 16, 2017 through October 20, 2023 (the "Class Period").

The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement may be fair, adequate, and reasonable. Any final determination of those issues will be made at the final hearing. You have legal rights and options that you may exercise as part of this Settlement. Judge Jessica Morgan of the Superior Court of the State of California, County of San Bernardino, is overseeing this lawsuit.

2. What is this lawsuit about?

In this Lawsuit, Plaintiff Christine Arcaro ("Plaintiff") claims that Defendants: (1) failed to pay minimum wages; (2) failed to pay overtime wages; (3) failed to authorize or provide meal periods; (4) failed to authorize or permit rest periods; (5) failed to reimburse necessary business expenses; (6) failed to furnish accurate itemized wage statements wage statement violations; (7) failed to timely pay wages during employment; (8) failed to pay wages upon separation of employment and within the required time; and (9) violated California Business and Professions Code §§17200, *et seq.*, and that these violations entitle Plaintiff to recover civil penalties on behalf of the State of California under Labor Code § 2698 *et. seq* ("PAGA").

Throughout the litigation, Defendants have denied—and continue to deny—the factual and legal allegations in the Lawsuit. Defendants deny any wrongdoing and asserts that its conduct at all times complied with the law. However, Defendants have voluntarily agreed to the terms of a negotiated settlement in order to avoid the burden and expense of continued litigation.

3. What is a class action and who is involved?

In a class action lawsuit such as this, a person called the "Class Representative" sues on behalf of other people who may have similar claims. The people together are referred to as a "Class" or "Class Members." The person who is the Class Representative is also called the plaintiff. The companies being sued are called the defendants. In class action litigation, a Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

This class action also includes a "Private Attorneys General Act" ("PAGA") claim, where the Plaintiff is attempting to recover civil penalties on behalf of the State of California. In a PAGA action, the State receives 75% of any recovered civil penalties, and the employees receive 25%. This Settlement will resolve all claims by the State for civil penalties arising from the claims made by Plaintiff in the Lawsuit during the period of April 12, 2021 through October 20, 2023 ("PAGA Period").

4. Why is this Lawsuit a class action?

The Court did not decide this case in favor of Plaintiff or Defendants. There was no trial or a determination of the merits. Instead, both sides agreed to a no-fault settlement of this Lawsuit. As part of the settlement, Plaintiff and Defendants agreed that this case can proceed as a class action for settlement purposes only and have agreed to ask the Court to approve the class action Settlement. The Court has not ruled on the merits of the claims in the Lawsuit.

5. What are the terms of the proposed Settlement?

The major terms of the settlement are as follows:

1. Defendant has agreed to pay \$1,000,000.00 to settle the claims in this Lawsuit. This amount is also known as the “Gross Settlement Amount.” This settlement is not an admission of any wrongdoing by Defendants or an indication that any law was violation.
2. Plaintiff has agreed to release all of her claims in this this Lawsuit against Defendant.
3. Plaintiff seeks the following deductions from the \$1,000,000.00 Gross Settlement Amount:
 - a. Up to one-third (1/3) of the Gross Settlement Amount (which is currently equal to \$333,333.33) for Class Counsel’s attorneys’ fees.
 - b. Up to \$30,000.00 for reimbursement of Class Counsel’s litigation costs.
 - c. An Incentive Award of up to \$10,000.00 to the Plaintiff for filing the Lawsuit, performing work in connection with the Lawsuit, and the risks associated with filing the Lawsuit.
 - d. Up to \$22,950.00 to cover the costs of the Settlement Administrator.
 - e. A PAGA Settlement Amount of \$50,000.00 for the release of PAGA claims. The PAGA Settlement Amount shall be allocated 75% (\$37,500.00) to the California Labor and Workforce Development Agency and 25% (\$12,500.00) to the non-exempt employees who worked for Defendants in California at any time during the PAGA Period (“PAGA Group Members”).

After making the above requested deductions from the Gross Settlement Amount, the remaining funds will be referred to as the “Net Settlement Amount.” The Net Settlement Amount will be distributed to Class Members who do not opt-out according to the number of weeks they worked for Defendant in California during the Class Period.

PAGA Settlement Payments. A pro rata share of 25% of the \$12,500 PAGA Settlement Amount (“PAGA Group Payment”) will be paid to PAGA Group Members based on the number of pay periods they work for Defendant in California during the PAGA Period. If you are a PAGA Group Member, you will receive a pro rata share of the PAGA Group Payment regardless of whether you opt-out of the class settlement.

Check Cashing Period. If a settlement check remains uncashed after 180 days from the date it is issued, the check will become void and the amount of the uncashed check will be sent to the California State Controller’s Unclaimed Property Fund, to be held in your name.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The “Class” includes: all current and former non-exempt employees who are or were employed by either Defendants in California at any time from October 16, 2017 through October 20, 2023.

7. I’m still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting Phoenix Settlement Administrators, the “Settlement Administrator”, at the designated phone number for this matter at _____ or by calling or writing the lawyers representing the Class in this case (“Class Counsel”), at the phone number or address listed in Section 19.

8. What is my approximate Individual Settlement Payment?

According to payroll records maintained by Defendants, the total number of weeks you worked in California for Defendant(s) as a non-exempt employee during the Class Period is _____. The total number of pay periods you worked in California for Defendant(s) as a non-exempt employee during the PAGA Period is _____.

Based on information provided above, anticipated court-approved deductions, and preliminary calculations Qualified Workweeks, it is estimated your share of the settlement will be \$_____, less applicable taxes and withholdings. This amount includes your share of the PAGA Group Payment, if applicable, which is estimated to be \$_____.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 16, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

If you believe your total weeks worked during the Class Period and/or PAGA Period shown above is not correct, you may contact the Settlement Administrator indicating what you believe is correct no later than _____. You should send any documents or other information that supports your belief that the number of weeks set forth above is incorrect. The Settlement Administrator will attempt to resolve any dispute based upon Defendants’ records and any information you provide. Any dispute not resolved by the Settlement Administrator will be resolved by the Court.

9. What rights am I releasing if I participate in the Settlement?

If the Court grants final approval of the Settlement and you do not exclude yourself from the Settlement, you will be deemed to have released Defendants from any and all claims alleged, or that could have been alleged, in the Action, during the Class Period based on the facts alleged therein, including but not limited to (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to authorize

or provide meal periods; (4) failure to authorize or permit rest periods; (5) failure to reimburse necessary business expenses; (6) failure to furnish accurate itemized wage statements wage statement violations; (7) failure to timely pay wages during employment; (8) failure to pay wages upon separation of employment and within the required time; and (9) violation of California Business and Professions Code §§17200, *et seq.*, based on the preceding claims.

Additionally, if you are a PAGA Group Member, you will have released the right to bring a claim for civil penalties under PAGA that arose during the PAGA Period, on behalf of the State based on the facts alleged in the operative Complaint in this Lawsuit and/or the notice that Plaintiff submitted to the LWDA (collectively, “Released PAGA Claims”). You will release these Released PAGA Claims even if you opt-out of the class action settlement.

10. How do I object to the Settlement?

If you are a Class Member and would like to object to the Settlement, you must not submit a request for exclusion (*i.e.*, you must not opt-out). To object, you may mail a written objection to the Settlement Administrator at the address in Section 16 below. Your written objection must set forth the grounds for your objection and be signed and dated, along with any supporting documents. Any written objection must be mailed to the Settlement Administrator no later than [REDACTED]. You can also appear at the final approval hearing. The information for the hearing is included in Section 17 of this notice.

11. Why would I ask to be excluded?

You have the right to exclude yourself from the Class (and the class settlement). If you exclude yourself from the Class—sometimes called “opting-out” of the Class – you will not receive any money or benefits from the class settlement. However, if you opt out, you may then be able to sue or continue to sue Defendants for your own claims if permitted by law. If you exclude yourself, you will not be legally bound by the Court’s ruling in this Lawsuit except for the release by PAGA Group Members and you will not be able to object to the settlement. Whether or not you submit a Request for Exclusion, if you are a PAGA Group Member, you will still be entitled to your portion of the PAGA Group Payment and will still be bound by the release for PAGA Group Members.

12. How do I ask to be excluded from the Class?

If you are a Class Member and would like to exclude yourself from the Class (“opt-out”), you, or your authorized representative, need to submit a written statement requesting exclusion from the Class to the Settlement Administrator at the address in Section 16 below. The statement must contain your name, address, telephone number, and your signature or the signature of your legally authorized representative and must be postmarked on or before [REDACTED]. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any class member who fails to submit a valid and timely request for exclusion will be bound by all terms of the settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court.

THE LAWYERS REPRESENTING THE PARTIES

13. Who are the lawyers in this case?

Class Counsel:

Kashif Haque
Samuel A. Wong
Jessica L. Campbell
Kristy R. Connolly
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The Court has preliminarily decided that Aegis Law Firm, PC is qualified to represent you and all Class Members. The law firm's attorneys are experienced in handling similar cases against other employers. More information about this law firm, their practice, and their lawyers' experience is available at www.aegislawfirm.com.

14. How will Class Counsel be paid?

As part of the Settlement, Class Counsel has requested one-third of the Gross Settlement Amount (currently equal to \$333,333.33) in attorneys' fees, plus costs not to exceed \$30,000.00, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

15. How will the Plaintiff be paid?

As part of the Settlement, Class Counsel has requested an incentive award of up to \$10,000.00 to be paid to the Plaintiff for her efforts in this matter, while serving as Class Representative and taking on the burden and risks of litigation.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS**16. Who is handling the Settlement Administration process?**

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773

17. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for [REDACTED] in Department S26 of the Superior Court of California, County of San Bernardino, located at 247 West Third Street, San Bernardino, CA 92415. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement, you may appear at the hearing. Please note that the hearing may be continued without further notice to the Class.

18. When will I get money after the hearing?

The Court will hold a hearing on [REDACTED], at [REDACTED], to decide whether to approve the settlement. If the Court approves the settlement, then there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. If the Court approves the settlement and if you do not opt out, your individual payment set forth in Section 8 above is expected to be distributed 10 business days after Defendants make the settlement payment to the Settlement Administrator. If you are a PAGA Group Member, you will receive your pro-rata share of the PAGA Group Payment regardless of whether you opted-out. To check on the progress of the settlement, contact the Settlement Administrator or Class Counsel at the phone number or address listed in Section 19.

GETTING MORE INFORMATION

19. Are more details available?

For more information, the pleadings and other records in this litigation, including copies of the Settlement Agreement, may be examined at any time during regular business hours at the office of the Clerk of the Superior Court of the State of California, for San Bernardino, at the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415.

You can also view the case records online at the court's website: cap.sb-court.org. Input the Case Number CIVSB2207625 and click "Search" to view the Case record.

Any questions regarding this Class Notice or the Lawsuit may be directed to the Settlement Administrator at the address and/or telephone number listed in section 16 of this Notice. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address, telephone number or email address set forth above. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

PLEASE DO NOT CALL OR WRITE TO THE COURT, OR TO ANY OF DEFENDANTS' MANAGERS, SUPERVISORS, OR DEFENDANTS' ATTORNEYS WITH QUESTIONS ABOUT THIS NOTICE.