CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Noah Hodgin ("Plaintiff") and defendant Preferred Hospitality, Inc. ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

I. DEFINITIONS.

1. "Action" means the following related lawsuits Plaintiff's lawsuit alleging class wage and hour violations against Defendant captioned *Noah Hodgin v. Preferred Hospitality, Inc., et al.*, Case No. 30-2022-1284223-CU-OE-CXC initiated on October 5, 2022; and Plaintiff's Representative Complaint under the Private Attorney's General Act *Noah Hodgin v. Preferred Hospitality, Inc., et al.*, Case No. 30-2023-01302833-CU-OE-CXC, both pending in Superior Court of the State of California, County of Orange;

2. "Administrator" means Phoenix Settlement Administrators, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

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.

4. "PAGA Group Member" means all current and former non-exempt employees who worked for Defendant in California and/or were placed to work at a client employer through Defendant in California during the PAGA Period (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest as evidenced by reasonable verification).

5. "Class Member" means all current and former non-exempt employees who worked for Defendant in California and/or were placed to work at a client employer through Defendant in California during the Class Period (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification). The term "Class Member" shall not include any person who submits a timely and valid request for exclusion. The term "Class Member" does not include any employee who worked directly at any placement/client employer.

6. "Class Counsel" means Brandon Brouillette, Zachary M. Crosner, and Jamie K. Serb of Crosner Legal, PC.

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.

8. "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, e-mail addresses (if available), and number of Class Period Workweeks and PAGA Pay Periods.

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 a PAGA Group Member).

10. “Class Member Address Search” Means the Administrator’s investigation and search for current Class Member 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.

11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION & PAGA 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. The Administrator will also e-mail the Court approved class notice to Class Members in the form, without material variation, attached hereto as Exhibit A to any e-mail address provided to the Administrator by Defendant as part of the Class Data.

12. “Class Period” means the period from October 5, 2018 through October 30, 2022.

13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

15. “Court” means the Superior Court of California, County of Orange.

16. “Defendant” means named Defendant Preferred Hospitality, Inc.; Market Broiler Orange, Inc.; Huntington Beach Market Broiler, Inc.; Riverside Market Broiler, Inc.; Market Broiler Simi Valley, Inc; Market Broiler Ontario, Inc.; and Market Broiler Fremont, LLC.

17. “Defense Counsel” means Matthew C. Sgnilek and Justin D. Lee of O’Hagan Meyer.

18. “Effective Date” means 20 days following 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 if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

19. “Final Approval” means the Court’s order granting final approval of the Settlement.

20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

22. "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

23. "Individual PAGA Payment" means a PAGA Group Member's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

24. "Judgment" means the judgment entered by the Court based upon the Final Approval.

25. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

26. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under the Labor Code section 2699, subd. (i).

27. "Maximum Settlement Amount" means $1,000,000.00 which is the total amount Defendant agrees to pay under the Settlement. The Maximum Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses. The Maximum Settlement Amount shall be paid in three (3) installments: the first installment will be on Effective Date in the amount of $600,000; the second installment will be paid 60 days from the Effective Date in the amount of Two Hundred Thousand Dollars and Zero Cents ($200,000.00); and the third installment will be paid 120 days from the Effective Date in the amount of Two Hundred Thousand Dollars and Zero Cents ($200,000.00). The second and third installment payments shall be subject to a 7% APR interest rate as of the Effective Date, until paid in full. Defendant shall maintain the option to pay the Maximum Settlement Amount in one payment. If Defendant pays the Maximum Settlement Amount in one payment, the Maximum Settlement Amount shall not be subject to 7% APR.

28. Defendant represents that that as of October 30, 2022, the number of workweeks worked by Class Members during the Class Period is approximately 80,052.

29. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payment, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

30. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

31. "PAGA Pay Period" means any Pay Period during which a PAGA Group Member worked for Defendant for at least one day during the PAGA Period.

32. "PAGA Period" means the period from May 25, 2021, through October 30, 2022.

33. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

34. "PAGA Notice" means Plaintiff Noah Hodgin's May 25, 2022, letter and November 9, 2022 Amended PAGA Notice, to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

35. "PAGA Penalties" means the total amount of $80,000.00 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the PAGA Group Members ($20,000.00) and the 75% to the LWDA ($60,000.00) in settlement of PAGA claims.

36. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

37. "Plaintiff" means Noah Hodgin, named plaintiff in the Action.

38. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

39. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

40. "Released Class Claims" means the claims being released as described in Paragraph 79 below.

41. "PAGA Group Released Claims" means the claims being released as described in Paragraph 80 below.

42. "Released Parties" means: Defendant and its former, present, and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, placement/client employers, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

43. "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.

44. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and PAGA Group Members, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the 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.

45. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

46. "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

II. RECITALS

47. On October 5, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for (1) recovery of unpaid minimum wages and liquidated damages; (2) recovery of unpaid overtime wages; (3) failure to provide meal periods

or compensation in lieu thereof; (4) failure to provide rest periods or compensation in lieu thereof; (5) failure to furnish accurate itemized wage statements; (6) failure to timely pay all wages due upon separation of employment; (7) failure to reimburse business expenses; and (8) unfair competition. On January 20, 2023, Plaintiff filed a PAGA Representative Complaint alleging a cause of action against Defendant for Violation of the Private Attorneys' General Act, Cal. Labor Code sections 2698, *et seq*. The October 5, 2022 Complaint and the January 20, 2023 PAGA Representative Complaint are collectively the operative complaints in the Action (collectively, the "Operative Complaint.") Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint or underlying LWDA exhaustion letters, and denies any and all liability for the causes of action alleged.

48. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

49. On October 25, 2023, the Parties participated in an all-day mediation presided over by the Hon. Carl J. West (Ret.)., which led to this Agreement to settle the Action.

50. Prior to mediation, Plaintiff obtained through informal discovery, which included the exchange of voluminous documents and data (including, by Defendant, policies, time records, and payroll data during the Class Period) which were reviewed, investigated, and analyzed by Class Counsel. Class Counsel'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"*).

51. The Court has not granted class certification.

52. Based on its own thorough, independent investigation and evaluation of this case, Class Counsel is of the opinion that the Settlement of this Action with Defendant for the consideration and on the terms set forth in this Settlement is fair, reasonable, adequate, and in the best interest of the Class in light of all known facts and circumstances, including the risk of significant costs and delay, the risk of non-certification of the Class, the defenses asserted by Defendant, including the risks of adverse determinations on the merits and numerous potential appellate issues. Although Defendant contends that it has no liability in the Action, Defense Counsel shares Class Counsel's belief that the Settlement represents a fair and adequate settlement, given the respective risks associated with the case.

53. 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.

III. PROCEDURE FOR APPROVING SETTLEMENT

54. **Motion for Preliminary Approval of Settlement by the Superior Court.** Plaintiff will move the Superior Court for an order granting Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing no earlier than 120 days from the date of the order granting Preliminary Approval of the Settlement, and approving the Class Notice (attached as Exhibit "A" to this Stipulation) ("Motion for Preliminary Approval"). Any unresolved disagreement among the Parties concerning the Class Notice or other documents

necessary to implement the Settlement will be referred first to the Hon. Carl J. West (Ret.), Esq., and if no resolution is reached, then to the Superior Court.

a. At the hearing on the Motion for Preliminary Approval, the Parties anticipate that they will jointly appear, support the granting of the Motion for Preliminary Approval, and obtain an order granting Preliminary Approval, granting approval of the Class Notice, and setting a date for the Final Approval Hearing no earlier than 120 days from the date of the order granting Preliminary Approval.

b. Should the Superior Court decline to preliminarily approve any material aspects of the Settlement, the Settlement will be null and void and the Parties will have no further obligations under it. In such event, the Parties shall be returned to their respective positions as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Agreement had not been executed.

55. **Class Notice.** After the Superior Court enters its order granting Preliminary Approval, every Class Member will be provided with the Class Notice (in English and Spanish) which will include the Class Notice completed to reflect the order granting Preliminary Approval of the Settlement and the Class Member's information as follows:

a. Within twenty-one (21) days after the Motion for Preliminary Approval is granted, Defendant will provide to the Settlement Administrator the "Class Members' Data," which shall consist of an electronic database containing (i) each Class Member's first and last name, (ii) last known mailing address, (iii) the Class Member's Social Security number or Tax ID, (iv) the Class Member's total number of Individual Workweeks, and (v) the Class/PAGA Group Members' total number of Individual Pay Periods, if applicable. If any or all of the Class Members' Data are unavailable to Defendant, Defendant will so inform Class Counsel prior to the date on which Defendant is required to submit the Class Members' Data to the Settlement Administrator and the Parties will make their best efforts to reconstruct or otherwise agree upon the Class Members' Data prior to when it must be submitted to the Settlement Administrator. If the Parties are unable to agree, the dispute will be resolved by the Settlement Administrator as provided in Paragraph 58. This information will otherwise remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities, as required to carry out the reasonable efforts to identify Class Member information as described in Paragraph 55(c), pursuant to Defendant's express written authorization, or by order of the Superior Court.

b. Within ten (10) days after receiving the Class Members' Data, or as soon thereafter as it is able to do so, the Settlement Administrator will mail the Class Notice to all identified Class Members via first-class U.S. Mail using the mailing address information provided by Defendant, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement.

c. If a Class Notice is returned by the U.S. Postal Service because of an incorrect address, the Settlement Administrator will promptly, and not later than five (5) days from receipt of the returned packet, search for a more current address for the Class

Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the Class Members' Data and otherwise work with Defense Counsel or utilize its own resources, such as skip traces, to find a more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, court orders, and fee, to trace the mailing address of any Class Member for whom a Class Notice is returned by the U.S. Postal Service. These reasonable steps shall include the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. Any such Class Members who failed to receive a Class Notice, or who were subject to a re-mailing of the Class Notice as described herein shall be given an additional fourteen (14) days to opt out or object to the Settlement.

d. The Settlement Administrator will inform Class Counsel and Defense Counsel of the number of returned Class Notices it receives and Class Notices re-mailed in a weekly status report.

e. Not later than sixteen (16) court days prior to the Final Approval Hearing, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Settlement. The declaration will be filed with the papers submitted with the Motion for Final Approval. Prior to the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

56. **Participating Class Members; Requests for Exclusion from Class Settlement; and Objections to Settlement.** Class Members may submit requests to be excluded from the effect of the Settlement; or objections to the Settlement, pursuant to the following procedures:

a. **Participating Class Members.** Each Class Member shall be deemed to be a Participating Class Member unless they submit a complete, timely, and valid request to be excluded from the effect of the Settlement as provided below. All Participating Class Members shall be bound by the provisions and releases contained in this Settlement.

b. **Request for Exclusion from Settlement.** Class Members who wish to exclude themselves from the Settlement ("opt out" of the Settlement) must submit to the Settlement Administrator, not later than sixty (60) days after the date that the Settlement Administrator first mails the Class Notices, an Exclusion Request (the "Exclusion Period"). Exclusion Requests may be submitted to the Settlement Administrator via U.S. Mail (or similar method), fax, or e-mail. Class Members must fully complete, sign, date, and timely return a Request for Exclusion Form, Exhibit B hereto, to the Settlement Administrator to exclude themselves from the Settlement, A Class Member who does not complete and submit a valid and timely Exclusion Request in the manner and by the conclusion of the Exclusion Period will remain a Participating Class Member and, if the Court approves the Settlement, will be bound by all terms and conditions of the Settlement and by the Judgment. A Class Member who timely submits a valid Exclusion Request will not participate in, or be bound by, the Settlement of the Judgment and will not receive any payment pursuant to the Settlement except for a payment from the portion of the PAGA Payment to the PAGA Group if the Class Member is a PAGA Group

Member, and will not be bound by the terms of the Settlement, except for the release of the PAGA Group Released Claims if the Class Member is a PAGA Group Member, and will not have any right to object, appeal, or comment thereon. To be valid, Exclusion Requests must be completed in full, signed, and returned to the Settlement Administrator before the expiration of the Exclusion Period. Non-Participating Class Members will not be permitted to file objections to the Settlement and/or appear at the Final Approval Hearing to voice any objections to the Settlement. Members of the PAGA Group cannot seek to exclude themselves from the Settlement of the PAGA claim, but retain all rights to exclude themselves from the Class Settlement as delineated herein. The Settlement Administrator will provide Class Counsel, Defense Counsel, and the Superior Court with only the names of the Non-Participating Class Members.

c. **Objections to Settlement.** The Class Notice provide that any Class Member who does not request exclusion from the Settlement and who wishes to object to the Settlement must serve on the Settlement Administrator, not later than sixty (60) days after the Settlement Administrator initially mails the Class Notice, a written objection to the Settlement, on the Objection Form, Exhibit C hereto, along with other documents, if any, that set forth the grounds for the objection. The objection must be served as follows:

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c/o ___________________

d. A Class Member who does not submit a an Objection Form in the manner and by the deadline specified may appear at the Final Approval Hearing to state their objection to the Settlement. If a Class Member fails to submit a written objection or to appear at the Final Approval hearing to make an oral objection, the Class Member will be deemed to have waived all objections and will be foreclosed from making any objections – whether by appeal or otherwise – to the Settlement

e. If a Class Member submits both a Request for Exclusion and a written objection, the Settlement Administrator shall attempt to contact and determine whether the Class Member would like to withdraw either the Request for Exclusion or the objection. If the Class Member does not withdraw the Request for Exclusion or if the Settlement Administrator cannot contact a Class Member who submits both a Request for Exclusion and an objection, the Request for Exclusion shall be valid and it shall be presumed that the Class Member does not wish to participate in the Settlement and therefore has no standing to object to the Settlement.

f. If the Superior Court rejects the Class Member's objection, or if the Superior Court approves the settlement despite any objections, the Class Member will be deemed to be a Participating Class Member and will be bound by the terms of this Settlement.

g. A Class Member who timely submits a valid Exclusion Request will not participate in, or be bound by, the Settlement of the Judgment and will not receive any payment pursuant to the Settlement except for a payment from the portion of the PAGA Payment to the PAGA Group if the Class Member is a PAGA Group Member, and will not be bound by the terms of the Settlement and Judgment, except for the release of the

PAGA Group Released Claims if the Class Member is a PAGA Group Member, and will not have any right to object, appeal, or comment thereon.

57. **Report.** Not later than seven (7) days after the deadline for submission of requests to be excluded and/or objections, the Settlement Administrator will provide each Defendant, through its respective Defense Counsel, with a complete and accurate list of names for all Participating Class Members, all Non-Participating Class Members, all PAGA Group Members, and all Class Members who objected to the settlement. The report shall also be accompanied by an itemized calculation of the Settlement Shares for each Participating Class Member. The Settlement Administrator shall also provide both Parties with a report identifying the number of Participating Class Members, the number of Non-Participating Class Members, the number of PAGA Group Members, and the number of Class Members who submitted a valid, timely, and complete objection. Class Counsel shall also receive a list of Class Members who object to the Settlement.

58. **Resolution of Class Member and PAGA Group Member Disputes.** If a Class Member and/or PAGA Group Member disputes the number of his or her Individual Workweeks and/or Individual Pay Periods stated in their Class Notice, the Class Member and/or PAGA Group Member must, within sixty (60) days after the Settlement Administrator initially mails the Class Notice, ask the Settlement Administrator to resolve the matter by returning the Class Notice with a statement of the number of Workweeks and/or Pay Periods that he or she contends were worked and include any documentation the Class Member and/or PAGA Group Member has to support their contention. The Settlement Administrator shall notify Defendant of the dispute and provide them with a copy of the Class Notice and any documentation received in support of the dispute within three (3) court days of receipt thereof. Defendant shall review their payroll and personnel records and verify the correct number of Workweeks and/or Pay Periods within five (5) court days of the Settlement Administrator's notification. Defendant's records will have a rebuttable presumption of accuracy. After consultation with Class Counsel, Defense Counsel, and the applicable Class Member and/or PAGA Group Member, the Court will have option to review disputes and make final determination. If the Court does not elect to review, then the Settlement Administrator will, within the latter of the Court's declination or three (3) court days of Defendant's verification, make a determination of the Class Member's and/or PAGA Group Member's number of Workweeks and/or Pay Periods. Any determination will be final, binding on the Parties and the Class Member and/or PAGA Group Member, and is not appealable.

59. **No Solicitation of Objection; Right to Void.** Neither the Parties, nor their respective counsel, will directly or indirectly solicit or otherwise encourage any Class Member to exclude him or herself from the Settlement, object to the Settlement, and/or appeal from the Judgment. If ten percent (10%) or more of the Class Members submit a complete, valid, and timely request to be excluded from the Settlement and are deemed to be Non-Participating Class Members, then Defendant shall have the unilateral right to void this Settlement. Defendant may do so by giving notice to Plaintiff and the Court of its election to void the Settlement not later than fourteen (14) days after the Settlement Administrator issues its report identifying the number of Participating Class Members, the number of Non-Participating Class Members, and the number of Class Members who objected to the settlement as described in Paragraph 56(c). Notwithstanding any other provisions in this Settlement, no sums shall be payable by Defendant in the event that this Settlement is voided as provided for herein.

60. **Additional Briefing and Final Approval.**

a. Not later than sixteen (16) court days before the Final Approval Hearing, the Plaintiff will prepare and file with the Superior Court a Motion for Final Approval of the Settlement, including payment of the Class Representative Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Settlement Administrator's Payment, a memorandum in support of their motion, 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 will not seek additional fees from Defendant or an increase in the Maximum Settlement Amount as part of the Motion for awards of the Class Representative Payment, Class Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment.

b. Not later than five (5) court days before the Final Approval Hearing, the Parties shall be entitled to file and serve a response to any Class Member's objection to the Settlement and/or reply in support of their Motion for Final Approval, to the extent that any opposition to said Motion is filed.

c. 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. S An award by the Superior Court of a lesser amount than that sought by Plaintiff and Class Counsel for the Class Representative Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and/or the Settlement Administrator's Payment, will not constitute a material change to the Settlement within the meaning of this Paragraph.

d. Upon final approval of the Settlement by the Superior Court at or after the Final Approval Hearing, the Parties will present for the Superior Court's approval and entry a Proposed Final Order and Judgment. The entry of the Final Order and Judgment shall permanently bar all Participating Class Members from prosecuting against Defendant any claims or causes of action found in Section V of this Agreement through the date of Final Approval.

e. Pursuant to Code of Civil Procedure Section 664.6 and California Rules of Court, Rule 3.769(h), after entry of the Judgment, the Superior Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of (i) enforcing this Settlement, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as may be appropriate under court rules or applicable law.

61. **Waiver of Right to Appeal**. Provided that the Judgment is consistent with the terms and conditions of this Settlement, Plaintiff, Participating Class Members, Defendant, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, a motion under Code of Civil Procedure Section 473, and any extraordinary writ, and the Judgment therefore will become non-appealable by them at the time it

is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment proceedings. If an appeal is taken from the Judgment, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved and the Judgment, consistent with the terms of this Settlement, becomes Final.

62. **Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion, petition, writ, or application, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then the 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. A vacation, reversal, or modification of the Superior Court's award of the Class Representative Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and/or the Settlement Administrator's Payment will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this Paragraph.

63. **Establishment of Settlement Account.** The Settlement Administrator shall establish a Settlement Account within ten (10) days of the Effective Date and notify the Parties when the Settlement Account has been established. The Settlement Administrator shall also provide Defendant with an itemized statement for the total amount to be deposited into the Settlement Account, which shall equal the Maximum Settlement Amount ("Settlement Account Deposit") plus applicable payroll taxes. Within ten (10) days after receiving notification of the Settlement Account and statement for the Settlement Account Deposit, Defendant shall pay into the Settlement Account an amount equal to the Settlement Account Deposit. Defendant shall have no obligation to pay any additional funds into the Settlement Account.

64. **Payment of Settlement Shares.** The Settlement Administrator shall pay to each Participating Class Member his or her Settlement Share from the Settlement Account. The Settlement Administrator shall pay each Settlement Share by sending a check in the appropriate amount after withholdings to the Participating Class Member at the address indicated in the Class Member's Data. Such payment shall be sent by the Settlement Administrator via U.S. Mail within fourteen (14) days of its receipt of the Settlement Account Deposit from Defendant.

65. **Payment of PAGA Payment Shares.** The Settlement Administrator shall pay to each PAGA Group Member his or her PAGA Payment Share from the Settlement Account. The Settlement Administrator shall pay each PAGA Payment Share by sending a check in the appropriate amount to the PAGA Group Member at the address indicated in the PAGA Group Member's Data. Such payment shall be sent by the Settlement Administrator via U.S. Mail within fourteen (14) days of its receipt of the Settlement Account Deposit from Defendant.

66. **Uncashed Settlement Share and PAGA Payment Share Checks.** Any checks paid to Participating Class Members and/or PAGA Group Members shall be negotiable for one hundred and eighty (180) calendar days from the date of their issuance. A Participating Class Member must cash his or her Settlement Share check within one hundred and eighty (180) calendar days after it is mailed to him or her. A PAGA Group Member must cash his or her PAGA Payment Share check within one hundred and eighty (180) calendar days after it is mailed

to him or her. If a check remains uncashed after one hundred and eighty (180) calendar days from the initial mailing, or if a check is returned to the Settlement Administrator as undeliverable during the one hundred eighty-day period, the Settlement Administrator shall take all reasonable efforts to identify the Participating Class Member's and/or PAGA Group Member's correct address, including the performance of a "skip-trace." Within 7 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. If an updated address for the Participating Class Member and/or PAGA Group Member cannot be identified, if a reissued check is once again returned to the Settlement Administrator as undeliverable, or if the reissued check remains uncashed after one hundred eighty (180) calendar days, the Settlement Administrator will keep an accounting of such funds and shall give notice to the Parties of the total balance of uncashed Settlement Shares and/or PAGA Payment Shares. A Participating Class Member who fails to negotiate or receive their Settlement Share check despite the procedures described above shall nevertheless remain bound by the Settlement and the releases contained herein. A PAGA Group Member who fails to negotiate or receive their PAGA Payment Share check despite the procedures described above shall nevertheless remain bound by the Settlement and the releases contained herein.

67. The funds represented by Settlement Share and/or PAGA Payment Share checks remaining uncashed for more than one hundred and eighty (180) calendar days after issuance shall be voided and then shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code Section 1500, *et seq.*, in the names of those Participating Class Members and/or PAGA Group Members who did not cash their checks until such time they claim their property. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Participating Class Members, whether or not they all cash their settlement checks. Therefore, Defendant will not be required to pay any interest on such amounts.

68. **Final Report by Settlement Administrator to Superior Court.** Within ten (10) days after final disbursement of all funds from the Settlement Account, the Settlement Administrator will serve on the Parties and file with the Superior Court a declaration providing a final summary report on the disbursements of all funds from the Settlement Account. Within ten (10) days after transmission of any remaining unclaimed funds to the Controller of the State of California, the Settlement Administrator will serve on the Parties and file with the Superior Court a declaration providing a final summary report on the transmission of any remaining unclaimed funds to the Controller of the State of California as outlined Paragraph 67.

IV. SETTLEMENT TERMS AND CONDITIONS

69. **Conditional Certification for Settlement Purposes.** Solely for the purposes of effectuating this Settlement, and subject to Court approval, the Parties hereby stipulate to the conditional certification of the following Settlement Class: "all current and former non-exempt employees that worked either directly for Defendant at any location in California at any time from October 5, 2018 through October 30, 2022 (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification)." The term "Class Member" shall not include any person who submits a timely and valid request for exclusion. The term "Class Member" does not

include any employee who worked directly at any placement/client employer. The Parties agree that if for any reason the Settlement is not preliminarily and/or finally approved, the conditional certification of the Settlement Class will be of no force or effect, does not constitute an admission by Defendant that class certification is proper, and will not be deemed admissible in this or any other proceeding, and that the Parties will litigate the issue of class certification.

70. **Settlement Shares.** Subject to the terms and conditions of this Settlement, the Settlement Administrator will calculate the Settlement Shares for each Class Member within ten (10) days after Defendant provides the Settlement Administrator with the Class Members' Data. The Settlement Share for each Class Member will be calculated as follows, understanding that the formulas below do not constitute an admission by either Party, and are intended only to provide a practical means to simplify and administer the claims process:

a. **Number of Class Members and Workweeks.** Defendant shall determine the total number of Class Members and the aggregate number of Workweeks for those Class Members as of the time of Preliminary Approval. This information shall be provided to the Settlement Administrator along with the Class Members Data as described in Paragraph 55(a) above.

b. **Calculation of the Workweek Value.** The Settlement Administrator shall determine the value of a Workweek ("Workweek Value") by taking the Net Settlement Amount and dividing it by the sum of all Class Members' Workweeks who do not opt out of the Settlement.

c. **Calculation of Settlement Shares.** The Settlement Administrator shall assign to each Participating Class Member a Settlement Share which shall be equal to the Workweek Value multiplied by each Participating Class Member's Individual Workweeks. Upon calculation of the Participating Class Members' Settlement Shares, the Settlement Administrator shall furnish to Class Counsel and Defense Counsel a worksheet containing a list of employee identification numbers for the Class Members with their corresponding Individual Workweeks and Settlement Shares.

71. **PAGA Payment Shares**

a. **Number of PAGA Group Members and Pay Periods.** Defendant shall determine the total number of PAGA Group Members and the aggregate number of Pay Periods for those PAGA Group Members as of the time of Preliminary Approval. This information shall be provided to the Settlement Administrator along with the Class Members' Data as described in Paragraph 55(a) above.

b. **Calculation of the Pay Period Value.** The Settlement Administrator shall determine the value of a Pay Period ("Pay Period Value") by taking the PAGA Payment amount and dividing it by the sum of all PAGA Group Members' Pay Periods.

c. **Calculation of PAGA Payment Shares.** The Settlement Administrator shall assign to each PAGA Group Member a PAGA Payment Share which shall be equal to the Pay Period Value multiplied by each PAGA Group Member's Individual Pay Periods. Upon calculation of the PAGA Group Members' PAGA Payment Shares, the Settlement Administrator shall furnish to Class Counsel and Defense Counsel a worksheet containing a list of employee identification numbers for the PAGA Group Members with their corresponding Individual Pay Periods and PAGA Payment Shares.

72. **Taxes and Withholdings.** Each Settlement Share is intended to settle the Class Members' claims for unpaid wages and penalties. Accordingly, fifteen percent (15%) of each Settlement Share shall represent unpaid wages and the remaining eighty-five percent (85%) of each Settlement Share shall represent penalties and interest. The portion of the Settlement Share representing unpaid wages shall be paid to each Participating Class Member subject to any applicable employee-side tax withholdings and deductions, and the Settlement Administrator shall issue an IRS Form W-2 to each Participating Class Member for that amount. The portion of the Settlement Share representing penalties shall be paid to the Participating Class Member in full without deductions or withholdings, and the Settlement Administrator shall issue an IRS Form 1099 to each Participating Class Member for that amount. Each Participating Class Member shall be individually responsible for their own share of applicable income tax withholdings and deductions from the Settlement Share attributable to the portion of the settlement for which an IRS Form 1099 will be issued. Defendant's payment of the Employer Payroll Tax attributable to the Settlement Share payments constituting wages will be made separately and shall not come from the Maximum Settlement Amount. The Parties agree and understand that Defendant has not made any representations regarding the tax obligations or consequences, if any, related to this Settlement. The Parties agree that Defendant and each Participating Class Member are solely responsible for determining the tax consequences of payments made pursuant to this Settlement and for paying taxes, if any, which are determined to be owed by each of them on such payments (including penalties and interest related thereto) by any taxing authority, whether state, local, or federal.

73. Each PAGA Payment Share is intended to settle the PAGA Group Members' claims for civil penalties. Accordingly, one hundred percent (100%) of each PAGA Payment Share shall represent civil penalties. The PAGA Payment Share shall be paid to the PAGA Group Member in full without deductions or withholdings, and the Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member for that amount, to the extent the PAGA Group Member's PAGA Payment Share is Six Hundred Dollars and Zero Cents ($600.00) or more. Each PAGA Group Member shall be individually responsible for their own share of applicable income tax withholdings and deductions for his or her PAGA Payment Share.

74. **Total Payment Amount.** In no event will Defendant be required to pay more than the Maximum Settlement Amount (unless that amount is increased pursuant to Paragraph 27 above) for distribution to the Plaintiff, Class Counsel, Participating Class Members, PAGA Group Members, LWDA, Settlement Administrator, or for any other costs or expenses not otherwise enumerated. However, Defendant's payment of the Employer Payroll Tax attributable to the Settlement Share payments constituting wages will be made separately and shall not come from the Maximum Settlement Amount.

75. **Payments to Plaintiff and Class Counsel and Others.** Subject to the terms and conditions of this Settlement, the Settlement Administrator will make the following payments out of the Maximum Settlement Amount as follows:

a. **To Plaintiff Noah Hodgin.** In addition to their respective Settlement Shares, Plaintiff Hodgin will apply to the Superior Court for a Class Representative Payment in an amount not to exceed Ten Thousand Dollars and Zero Cents ($10,000.00).

Defendant will not oppose this Class Representative Payment. The Settlement Administrator will pay the Class Representative Payment approved by the Superior Court out of the Maximum Settlement Amount. Payroll tax withholding and deductions will not be taken from the Class Representative Payment and an IRS Form 1099 will be issued to Plaintiff Hodgin for this payment.

b. **To Class Counsel.** Class Counsel will apply to the Superior Court for the Class Counsel Fees Payment in an amount not to exceed 33 1/3% of the Maximum Settlement Amount (currently estimated to be Three Hundred and Thirty Three Dollars and Thirty Three Cents ($333,333.33)). Class Counsel will also submit to the Superior Court a memorandum of costs for the Class Counsel Litigation Expenses Payment in an amount not to exceed 20,000.00 Dollars and Zero Cents ($20,000.00) as request for reasonable costs of suit to be paid from the Maximum Settlement Amount. Defendant will not oppose these requests. The Settlement Administrator will pay the amounts approved by the Superior Court out of the Maximum Settlement Amount. Withholding and deductions will not be taken from the Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment and one or more IRS Forms 1099 will be issued to Class Counsel with respect to those payments.

c. **To the LWDA.** As part of its Motions for Preliminary and Final Approval, the Plaintiff will apply to the Superior Court for approval of the LWDA Payment in the amount of Eighty-Thousand Dollars and Zero Cents ($80,000.00), which shall constitute the LWDA's seventy-five percent (75%) share of Sixty Thousand Dollars and Zero Cents ($60,000.00) in civil penalties paid under this Settlement. The remaining Twenty Thousand Dollars and Zero Cents ($20,000.00) in civil penalties shall be distributed on a *pro rata* basis based upon the number of pay periods worked by each PAGA Group Member ("PAGA Payment").

d. **To the Settlement Administrator.** The Settlement Administrator will be paid from the Maximum Settlement Amount its reasonable fees and expenses as approved by the Superior Court, which are estimated not to exceed Eighteen Thousand Nine Hundred and Ninety-Five Dollars and Zero-Cents $18,995.00 ($18,995.00).

76. **Appointment of Settlement Administrator.** The Parties will ask the Superior Court to appoint Phoenix Class Action Administrators, a qualified and experienced administrator based in California where the Action is venued, to serve as the Settlement Administrator, which, as a condition of appointment, will agree to be bound by this Agreement with respect to the performance of its duties and its compensation. The Settlement Administrator's duties will include (i) calculating Settlement Shares and PAGA Payment Shares; (ii) preparing, printing, and mailing the Class Notice to all Class Members; (iii) using reasonable measures to contact all Class Members, including conducting a National Change of Address search on all Class Members before mailing the Class Notice to each Class Member's address; (iv) re-mailing the Class Notice to the Class Member's new address for those Class Members whose address had changed; (v) setting up a toll-free telephone number to receive calls from Class Members; (vi) receiving requests for exclusion and objections to the Settlement; (vii) providing the Parties with weekly status reports about the delivery of Class Notices and any requests for exclusion and objections; (viii) issuing the checks to effectuate the payments due under the Settlement; (ix) using reasonable measures to deliver issued checks to Participating Class Members, including

use of a "skip-trace" for undeliverable checks; and (x) otherwise administering the Settlement pursuant to this Agreement including paying and reporting the employer's share of the payroll taxes to the appropriate taxing agency. The Settlement Administrator will have the final authority to resolve all disputes concerning the calculation of a Participating Class Member's Settlement Share and/or PAGA Group Member's PAGA Payment Share, subject to the terms set forth in this Agreement. The Settlement Administrator's reasonable fees and expenses are estimated to not exceed Eighteen Thousand Nine Hundred and Ninety-Five Dollars and Zero Cents ($18,995.00) and will be paid out of the Maximum Settlement Amount, as set forth herein, subject to Court approval.

V. RELEASE OF CLAIMS

77. **Plaintiff's Released Claims.** Upon Defendant fully funding the Settlement as described in this Agreement, Plaintiff Hodgin, individually and on behalf of their heirs, executors, administrators, representatives, attorneys, successors and assigns knowingly and voluntarily releases and forever discharges Defendant, including any and all parent corporation, affiliates, subsidiaries, managers, divisions, predecessors, insurers, franchisors, successors and assigns, including but not limited to each of their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs (collectively, "Plaintiff's Released Parties"), to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and unasserted, which Plaintiff has or may have against the Plaintiff's Released Parties as of the date of execution of this Settlement Agreement. Plaintiff is not waiving any rights Plaintiff may have to: (i) Plaintiff's own vested accrued employee benefits under the Defendant's health, welfare or retirement benefits plans, if any, as of the date of execution of this Settlement Agreement; (ii) benefits or rights to seek benefits under applicable workers' compensation (except as to claims under Labor Code §§ 132a and 4553 which are expressly released herein) or unemployment insurance or indemnification statutes; (iii) pursue claims which by law cannot be waived by signing this Settlement Agreement; and (iv) enforce this Settlement Agreement.

a. Without limiting the generality of the foregoing, this general release by each Plaintiff includes all federal, state and local statutory claims, federal and state common law claims (including but not limited to those for contract, tort and equity), including without limitation the Americans with Disabilities Act, Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964 (as amended), 42 USC sec. 1981, 42 USC sec. 1983, the Fair Labor Standards Act, the Employment Retirement Security Income Act of 1974, the California Constitution, the California Fair Employment and Housing Act, the California Unfair Competition Act (California Business and Professions Code section 17200 et seq.), and the California Labor Code.

78. **Civil Code section 1542 Waiver.** To affect a full and complete general release as described above, each Plaintiff expressly waives and relinquishes all rights and benefits of § 1542 of the Civil Code of the State of California and does so understanding and acknowledging the significance and consequence of specifically waiving § 1542. Section 1542 of the Civil Code of the State of California states:

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.**

Notwithstanding the provisions of § 1542, and to implement a full and complete release and discharge of all parties, each Plaintiff expressly acknowledges this Settlement Agreement is intended to include in its effect, without limitation, all claims each Plaintiff does not know or suspect to exist in each Plaintiff's favor at the time of signing this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment of any such claims. Each Plaintiff warrants each Plaintiff has read this Settlement Agreement, including this waiver of California Civil Code § 1542,

79. **Participating Class Members Released Claims.** Upon Defendant fully funding the Settlement as described in this Agreement, each Participating Class Member, and without the need to manually sign a release document, shall release the Released Parties from all causes of action and claims that were alleged in the Action or reasonably could have been alleged based on the facts contained in the Action, including all of the following claims for relief: (1) recovery of unpaid minimum wages and liquidated damages; (2) recovery of unpaid overtime wages; (3) failure to provide meal periods or compensation in lieu thereof; (4) failure to provide rest periods or compensation in lieu thereof; (5) failure to furnish accurate itemized wage statements; (6) failure to timely pay all wages due upon separation of employment; (7) failure to reimburse business expenses; and (8) unfair competition; (9) any claim for costs and attorneys' fees and expenses; and (10) any claim arising from the claims described above under applicable federal, state, local or territorial law as well as applicable regulations and Wage Orders (collectively, the "Released Class Claims"). Participating Class Members who cash their checks are deemed to have waived all Released Claims inclusive of claims under the Fair Labor Standards Act. Participating Class Members who do not cash their checks shall be deemed to waive all Released Claims except for a claim under the Fair Labor Standards Act. Released Claims for Class Members who worked for Defendant in California during the Class Period shall have their claims released during the Class Period.

80. **PAGA Group Released Claims.** Upon Defendant fully funding the Settlement as described in this Agreement, each PAGA Group Member, and without the need to manually sign a release document, shall release the Released Parties for claims for civil penalties pursuant to PAGA based upon all causes of action and claims that were alleged in the Action or reasonably could have been alleged based on the facts contained in the Action, and/or the PAGA Notice including all of the following claims for relief: (i) unpaid minimum wages, overtime wages, split differential pay, reporting time (Lab. Code §§ 204, 216, 218.5, 223, 510, 558, 558.1, 1194, 1194.2, 1197, 1197.1, 1198-1199); (ii) meal period violations (Lab. Code §§ 226.6, 226.7, 512, 558, 558.1, 1198-1199, 2699; and all Applicable Wage Orders); (iii) rest period violations (Lab. Code § 226.7, 558, 1198-1199, 2699; and all Applicable Wage Orders); (iv) inaccurate wage statements (Lab. Code § 226); (v) failure to produce/maintain employment records (Lab. Code §§ 226, 1198.5, 432; (vi) inaccurate employment and payroll records (Lab. Code §§ 1174 & 1174.5, 1198, 1199); (vii) unreimbursed business expenses (Lab. Code § 2802); (viii) sick leave violations (Lab. Code §§ 233, 234, 245, et seq., 248.5); (ix) failure to provide supplemental paid sick leave (Lab. Code § 248.2); (x) violation of Labor Code sections 351 and 353; (xi) final pay

violations/failure to timely pay all wages upon separation of employment (Lab. Code §§ 201-203. 210, 256); (xii) unlawful agreements-unlawful criminal history inquiries-unlawful PAGA waivers (Lab. Code § 432.5, 432.7); (xii) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have reasonably been alleged based on the facts contained in the Action; (xiii) individual liability under Labor Section 558.1; (xiv) failure to provide suitable resting facilities; (xv) unlawful deductions (Lab. Code §§ 212, 216, 221, 222, 223); (xvi) failure to timely pay wages during employment (Lab. Code §§ 204, 210); (xvii) standard conditions of labor violations (Lab. Code §§ 1198, 1199); and (xviii) any claim for costs and attorneys' fees and expenses (collectively, the "PAGA Group Released Claims"). PAGA Group Members who worked for Defendant in California during the PAGA Period shall have their PAGA Released Claims released during the PAGA Period.

81. Released Parties includes Defendant and their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, including but not limited to insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

82. In light of the binding nature of a PAGA judgment on non-party employees pursuant to *Arias v. Sup. Ct. (Angelo Dairy)* (2009) 46 Cal.4th 969 and *Cardenas v. McLane Foodservice, Inc.* (2011) 796 F.Supp.2d 1246, individuals otherwise meeting the definition of a Class Member who exclude themselves from the Settlement shall nonetheless receive a payment for the amount of each such individual's estimated share of the PAGA Payment and shall have released PAGA claims, as outlined in Paragraph 80.

83. The Released Claims and PAGA Released Claims described in Paragraphs 79 and 80 expressly exclude all claims made by a Participating Class Member and/or PAGA Group Member for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt, and claims outside of the Class Period and/or PAGA Period.

84. **Class Counsel.** As of the Effective Date, and except as otherwise provided by this Settlement, Class Counsel and any counsel associated with Class Counsel waive any further claims to costs and attorneys' fees and expenses against Defendant or the Released Parties arising from or related to the Action, including but not limited to claims based on the Labor Code, the Code of Civil Procedure, PAGA, the Fair Labor and Standards Act, the Business and Professions Code, or any other contract, statute or law ("Class Counsel Released Claims").

85. **No Effect on Other Benefits.** The payment of Settlement Shares and/or PAGA Payment Shares will not result in any additional employee benefit payments (such as 401(k), vacation, or bonus) and shall not have any effect on the eligibility for, or calculation of, any employee benefit.

VI. DUTIES OF THE PARTIES

86. **Mutual Full Cooperation.** The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement unless the Court denies the

Settlement with prejudice. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation and any other efforts that may become necessary by court order or otherwise, to effectuate this Stipulation and the terms set forth herein. As soon as practicable after execution of this Stipulation, Class Counsel, with the cooperation of Defendant and Defense Counsel, shall take all necessary and reasonable steps to secure the Court's approval of this Stipulation. The Parties will work together to make any non-material modifications of the Settlement requested by the Court to obtain approval of the Parties' Settlement.

87. **Duty to Support and Defend the Class Settlement.** The Parties agree to abide by all of the terms of the Settlement in good faith and to support the Settlement fully and to use their best efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.

88. **Duties Prior to Court Approval.** Class Counsel shall promptly submit this Stipulation to the Court for preliminary approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Stipulation, Class Counsel shall apply to the Court for the entry of a preliminary order**,** scheduling a hearing on the question of whether the proposed Class Settlement should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form and content the proposed Class Notice attached hereto as Exhibit "A", respectively, and directing the mailing of the Class Notice to Settlement Class Members.

89. **Non-Monetary Relief and Catalyzation of Policy Change.** Although Defendant denies any liability of any kind associated with the claims alleged in the Lawsuit, denies any liability or intentional wrongdoing, Defendant revised and updated their wage and hour policies and practices, including but not limited to their timekeeping and meal period and rest break policies and procedures.

VII. MISCELLANEOUS

90. **No Admission of Liability.** Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, or has any liability to anyone under the claims asserted in the Action. This Settlement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Settlement is intended or will be construed as an admission of liability or wrongdoing by Defendant, an admission by Plaintiff that any of his claims were non-meritorious, or any defense asserted by Defendant was meritorious.

91. The Parties also agree that this release constitutes a resolution of a good faith dispute concerning wages and complies with Labor Code Section 206.5, which reads in part:

> "Execution of release of claim or right on account of wages due.
> No employer shall require the execution of any release of any
> claim or right on account of wages due, or to become due, or made,
> or made as an advance on wages to be earned, unless payment of
> those wages has been made."

92. Whether or not the Judgment becomes Final, neither the Settlement, any document, statement, proceeding or conduct related to the Settlement, nor any reports or accounting of those matters, will be (i) construed as, offered or admitted in evidence as, received

as, or deemed to be evidence for any purpose adverse to Defendant or any of the Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against any of the Released Parties, or any other civil, criminal or administrative action or proceeding except for purposes of effectuating this Settlement.

93. Notwithstanding paragraph 92 of this Settlement, any and all provisions of this Settlement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Settlement, or in defense of any claims released or barred by this Settlement.

94. **Non-Disparagement.** Plaintiff and Class Counsel agree not to make any untruthful, malicious, disparaging or defamatory statements, allegations, comments or communications, regardless of form (whether written, oral, electronic, including but not limited to Glassdoor, Yelp, or otherwise), regarding the Released Parties. Plaintiff and Class Counsel further agree not to encourage authorize or permit any such statements, allegations, comments or communications to be made by others on their behalf. To the extent Plaintiff and/or Class Counsel have posted any negative comments about the Released Parties on Glassdoor, Yelp, or other websites, Plaintiff and/or Class Counsel agree to request that these comments be removed and to provide a copy of such request to Defense Counsel within 30 days of the execution of this Agreement.

95. **Waiver of Reemployment.** Plaintiff acknowledges that she has no intent to apply for employment and/or re-employment with Defendant. Plaintiff further acknowledges that Defendant or any related, successor, parent, or subsidiary companies has the right to refuse rehiring Plaintiff for non-discriminatory and non-retaliatory reasons and Plaintiff acknowledges that Defendant's position is that such legitimate non-discriminatory and non-retaliatory reasons exist.

96. **Integrated Agreement.** After this Settlement is signed and delivered by all Parties and their counsel, this Settlement and its exhibits will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Settlement or its exhibits other than the representations, warranties, covenants, and inducements expressly stated in this Settlement and its exhibits.

97. **Attorney Authorization.** Class Counsel and Defense Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement,

the Parties will seek the assistance of mediator Hon. Carl J. West (Ret.), and if no resolution is reached the Superior Court, and in all cases all such documents, supplemental provisions and assistance of the court will be consistent with this Settlement.

98. **Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties, their successors-in-interest, and/or the Parties' respective counsel, as authorized.

99. **Settlement Binding on Successors.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

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

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

102. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Settlement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Settlement through arms-length negotiations, taking into account all relevant factors, current and potential.

103. **Headings.** The descriptive heading of any section or Paragraph of this Settlement is inserted for convenience of reference only and does not constitute a part of this Settlement.

104. **Notice.** All notices, demands or other communications given under this Settlement will be in writing and deemed to have been duly given as of the third business day after mailing by U.S. Mail, addressed as follows:

To the Class:

Brandon Brouillette
Zachary M. Crosner
Jamie K. Serb
Crosner Legal, PC
9440 Santa Monica Blvd, Suite 301
Tel: (888) 276-7637| Fax: (310) 510-6429

To Defendant:

Matthew Sgnilek
msgnilek@ohaganmeyer.com
O'HAGAN & MEYER
4695 MacArthur Court, Suite 900
Newport Beach, CA 92660
Tel: (949) 942-8500 | Fax: (949) 942-8510

105. **Execution in Counterpart.** This Settlement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile signatures, scanned PDF signatures, and electronic signatures will be presumptive evidence of execution of the original, which shall be produced on reasonable request. Any executed counterpart will be admissible to prove the existence and contents of this Settlement.

106. **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.

Dated: 08 / 21 / 2025

PLAINTIFF AND CLASS REPRESENTATIVE

Noah Hodgin

Noah Hodgin

Dated: Aug 7, 2025

DEFENDANT PREFERRED HOSPITALITY, INC., et al.

Rodney Couch
Rodney Couch (Aug 7, 2025 13:38:31 PDT)

By: Rodney Couch (name)

President (title)

Hodgin v. Preferred-Settlement Agreement

Final Audit Report 2025-08-07

Created:	2025-08-07
By:	Jacquelynn Dickendasher (jdickendasher@ohaganmeyer.com)
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"Hodgin v. Preferred-Settlement Agreement" History

Document created by Jacquelynn Dickendasher (jdickendasher@ohaganmeyer.com)
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Document emailed to rodney.couch@phi.team for signature
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Signer rodney.couch@phi.team entered name at signing as Rodney Couch
2025-08-07 - 8:38:29 PM GMT

Document e-signed by Rodney Couch (rodney.couch@phi.team)
Signature Date: 2025-08-07 - 8:38:31 PM GMT - Time Source: server

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SIGNED	**08 / 21 / 2025** 23:38:29 UTC	Signed by Noah Hodgin (noahhodgin76@outlook.com) IP: 45.26.39.242
COMPLETED	**08 / 21 / 2025** 23:38:29 UTC	The document has been completed.