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Terrence Kennedy, and Proposed Plaintiff
James Walker

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES—STANLEY MOSK COURTHOUSE

TYRONE JOHNSON, TERRENCE
KENNEDY; individually, and on behalf of
other aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiffs,

vs.

PARSEC, INC., D/B/A/ OHIO PARSEC,
INC., an Ohio corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No.: 22STCV25427

Honorable Kristin Escalante
Department 24

CLASS ACTION

**DECLARATION OF ELIZABETH
PARKER-FAWLEY IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT AND APPROVAL
OF PAGA SETTLEMENT**

[Notice of Motion and Motion for Preliminary
Approval of Class Action Settlement and
Approval of PAGA Settlement; Declarations of
Proposed Class Representatives (Tyrone
Johnson, Terrence Kennedy, and James Walker);
and [Proposed] Order filed concurrently
herewith]

Date: July 15, 2024
Time: 8:30 a.m.
Department: 24
Reservation ID: 869014079586

Complaint Filed: August 5, 2022
Trial Date: None Set

DECLARATION OF ELIZABETH PARKER-FAWLEY

I, Elizabeth Parker-Fawley, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiffs Tyrone Johnson (“Plaintiff Johnson”) and Terrence Kennedy (“Plaintiff Kennedy”) and Proposed Plaintiff James Walker (“Proposed Plaintiff Walker”)(collectively, “Plaintiffs”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

2. Since October 2008, Lawyers for Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, Lawyers for Justice, PC is the attorney of record in well over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers for Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”) representative actions. Lawyers for Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers for Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California.

3. Edwin Aiwarzian is the Managing Member and Shareholder of Lawyers for Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately

1 September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable
2 Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From
3 approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the
4 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In
5 December of 2004, he obtained a license to practice law from the California State Bar. Since in or
6 around October of 2008, through his work at Lawyers for Justice, PC, he has almost exclusively
7 focused on the prosecution of consumer and employment class actions, involving wage-and-hour
8 claims, race discrimination, unfair business practices, or consumer fraud. Together with other
9 attorneys at the firm, and in many cases in conjunction with co-counsel, he has successfully litigated
10 cases involving the executive, administrative, and other overtime exemptions to the State of
11 California and federal overtime compensation requirements. Under his supervision, Lawyers for
12 Justice, PC has successfully obtained class certification by contested motion practice in
13 approximately fifteen (15) cases in the last decade, and litigated over 1,000 class action or
14 representative action cases.

15 4. Arby Aiwarzian is a Member and Shareholder of Lawyers for Justice, PC. He
16 received his Bachelor of Arts degree from University of California, Los Angeles and graduated
17 magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School.
18 From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the
19 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
20 From approximately August 2008 to approximately December 2008, he served as a Judicial Extern
21 to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit.
22 He was admitted to practice law in California in 2010. He is admitted to practice before all courts
23 of the State of California and all United States District Courts in the State of California. He has
24 worked on many wage-and-hour class action and representative action cases, taking the lead in
25 taking and defending depositions, arguing motions, and attending mediations. He has played an
26 integral role in preparing matters for class certification, including and not limited to, successful
27 certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No.
28 BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No.

1 BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No.
2 RG13680477). Under his supervision, dozens of class action or representative action cases have
3 resulted in settlements that have been granted court approval, including and not limited to, those
4 listed in paragraph 7 herein. He has handled over one hundred and fifty (150) mediations and has
5 worked on over two hundred and fifty (250) class action or representative action cases which have
6 resulted in settlement.

7 5. Joanna Ghosh is a Senior Member of Lawyers for Justice, PC. She received her
8 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science
9 degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown
10 University Law Center in 2010. She is admitted to practice in California (since 2010) and in New
11 York (since 2013) and she is also admitted to practice in all U.S. District Courts in California, the
12 U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has
13 taken and defended dozens of depositions and successfully handled motion practice in class action
14 cases regarding discovery (including and not limited to, regarding class contact information), class
15 certification (both contested class certification and stipulated class certification), arbitration
16 agreements, coordination, and intervention. She has successfully handled briefing and oral argument
17 on appeal and obtained notable decisions regarding the Private Attorneys General Act and employer
18 efforts to compel arbitration of PAGA claims, e.g., *Roberto Betancourt v. Prudential Overall Supply*
19 (Cal. Ct. App., Mar. 7, 2017) 9 Cal.App.5th 439, *cert. denied* (Cal., May 24, 2017), *cert. denied*
20 (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. She has significant
21 experience with class actions, including and not limited to working on cases to obtain class
22 certification through contested motion practice and working on cases in the post-certification stage
23 (e.g., post-certification discovery, appeal, statistical sampling and pilot study, and trial preparation
24 in conjunction with co-counsel in a case involving a certified class consisting of approximately 2,600
25 individuals). She also has extensive experience with class action and/or representative action
26 settlements, and has handled this process in over three hundred (300) cases. Under Edwin Aiwasian,
27 Joanna Ghosh and Arby Aiwasian's supervision, Lawyers for Justice, PC has handled the class
28 certification and court approval process for hundreds of class action and/or representative action

1 matters that have successfully resolved. She is also a member of the California Employment Lawyers
2 Association. .

3 6. I am the Director of Legal Operations at Lawyers for Justice, PC. In December 2014,
4 I obtained a license to practice law from the California State Bar. I am admitted to practice in all
5 courts in the State of California, as well as the Central, Southern, Northern, and Eastern District
6 Courts of California and the Ninth Circuit Court of Appeal. Since December 2014, I have worked at
7 Lawyers for Justice, PC, and my practice has almost exclusively focused on the prosecution of
8 employment class actions and representative actions, handling cases in all stages of litigation from
9 initial pleadings to assisting with class action trial matters, attending mediations, and preparing class
10 action settlements. Previously, I was in the role of Manager of Litigation, in which I oversaw
11 approximately twenty-five attorneys working on hundreds of employment class actions and
12 representative actions, and provided internal training for our litigation practice group and post-bar
13 law clerks. In my current role, I oversee the legal operations of the firm, review and advise attorneys
14 on work product and practices, provide training, and supervise cases from their inception to final
15 accounting. I am a member of the California Lawyers Association Labor & Employment Group and
16 the California Employment Lawyers Association.

17 **EXAMPLES OF RESULTS IN WAGE-AND-HOUR CLASS ACTION AND**
18 **REPRESENTATIVE ACTION CASES**

19 7. What follows are just a few examples of the type of results Lawyers *for* Justice, PC
20 (“LFJ”) has achieved on behalf of its clients:

21 a) LFJ, in association with co-counsel therein, represented the plaintiffs in a
22 wage-and-hour class action against a major property management company involving allegations of
23 misclassification of various “manager” positions. On September 20, 2010, the court granted final
24 approval of the class action settlement. The Los Angeles County Superior Court Case Number is
25 BC400414.

26 b) LFJ, in association with co-counsel therein, represented the plaintiffs in a
27 wage-and-hour class action against a national retailer of household items involving allegations of
28 misclassification of the “Assistant Store Manager” position. On October 28, 2010, the court granted

1 final approval of the class action settlement. The Los Angeles County Superior Court Case Number
2 is BC413498.

3 c) LFJ, in association with co-counsel therein, represented the plaintiffs in a
4 wage-and-hour class action against a national property management company involving allegations
5 of misclassification of the “Property Manager” position. On May 23, 2012, the court granted final
6 approval of the class action settlement. The Los Angeles County Superior Court Case Number is
7 BC430918.

8 d) LFJ, in association with co-counsel therein, represented the plaintiffs in a
9 wage-and-hour class action against a national retailer involving allegations of misclassification of
10 the “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class
11 certification. On August 26, 2013, the court granted final approval of the class action settlement.
12 The Los Angeles County Superior Court Case Number is BC424012.

13 e) LFJ, in association with co-counsel therein, represented the plaintiff in a
14 wage-and-hour class and PAGA representative action against a bank, involving allegations of
15 misclassification of the “Assistant Branch Manager” position. On August 27, 2013, the court
16 granted final approval of the class and PAGA representative action settlement. The Kern County
17 Superior Court Case Number is S-1500-CV-273194-LHB.

18 f) LFJ, in association with co-counsel therein, represented the plaintiff in a
19 wage-and-hour class and PAGA representative action against a national wholesale distributor of
20 plumbing and builder supplies, involving allegations of misclassification of multiple salaried
21 “manager” positions. On May 22, 2014, the court granted final approval of the class and PAGA
22 representative action settlement. The Sacramento County Superior Court Case Number is 34-2012-
23 00136285.

24 g) LFJ, in association with co-counsel therein, represented the plaintiff in a
25 wage-and-hour class action against a multinational corporation that provides global workplace
26 solutions, involving allegations of misclassification of the “Operations Manager” position. On
27 September 16, 2014, the court granted plaintiff’s motion for class certification. The Los Angeles
28 County Superior Court Case Number is BC478769.

1 h) LFJ, in association with co-counsel therein, represented the plaintiff in a
2 wage-and-hour class and PAGA representative action against a national retailer of household items,
3 on behalf of hourly-paid or non-exempt employees. On May 27, 2015, the court granted final
4 approval of the class and PAGA representative action settlement. The San Francisco County
5 Superior Court Case Number is CGC-13-532344.

6 i) LFJ, in association with co-counsel therein, represented the plaintiff in a
7 wage-and-hour class and PAGA representative action involving allegations of misclassification of
8 the salaried residential “Property Manager” position. On September 17, 2015, the court granted
9 plaintiff’s motion for class certification. On October 20, 2017, the court granted final approval of
10 the class and PAGA representative action settlement. The Los Angeles County Superior Court Case
11 Number is BC474784.

12 j) LFJ, in association with co-counsel therein, represented the plaintiffs in a
13 wage-and-hour class and PAGA representative action against a national retailer of upscale hardware
14 and home furnishings, on behalf of non-exempt employees. On April 28, 2016, the court granted
15 final approval of the class and PAGA representative action settlement. The Los Angeles County
16 Superior Court Case Numbers are BC516795 and JCCP4794, and the Judicial Council Coordination
17 Proceeding Number is 4794.

18 k) LFJ, in association with co-counsel therein, represented the plaintiffs in a
19 wage-and-hour class action against a national retailer of apparel and fashion accessories, on behalf
20 of non-exempt employees. On August 5, 2016, the court granted final approval of the class action
21 settlement. The Los Angeles County Superior Court Case Number is BC488069.

22 l) LFJ, in association with co-counsel therein, represented the plaintiffs in a
23 wage-and-hour class action against a national retailer of apparel, accessories, and home products,
24 involving allegations of misclassification of the “Department Manager” position. On August 12,
25 2016, the court granted the plaintiffs’ motion for class certification in part and certified a class. On
26 August 6, 2019, the court granted final approval of the class action settlement. The Alameda County
27 Superior Court Case Number is RG13680477.
28

m) LFJ represented the Plaintiffs in a PAGA representative action against a real estate and property management company, on behalf of non-exempt employees. On November 4, 2016, the court granted approval of the PAGA representative action settlement. The Orange County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

n) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a full-service bank, on behalf of non-exempt employees. On November 18, 2016, the court granted final approval of the class and PAGA representative action settlement. The San Francisco County Superior Court Case Number is CJC-13-004839 and the Judicial Council Coordination Proceeding Number is 4839.

o) LFJ represented the plaintiffs in a wage-and-hour class and PAGA representative action against a foodservice distributor, on behalf of non-exempt employees. On January 26, 2017, the court granted final approval of the class and PAGA representative action settlement. The San Bernardino County Superior Court Case Number is CIVDS1507260.

p) LFJ, on behalf of the Plaintiffs and respondent in a PAGA representative action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the employer's motion to compel arbitration, which resulted in a published opinion by the California Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply* (Cal. App. 4th Dist., Mar. 7, 2017) 9 Cal.App.5th 439, review denied, cert. denied (U.S. Supreme Court Docket No. 17-254). The Riverside County Superior Court Case Numbers are RIC1503952 and RICJCCP5046, and the Judicial Council Coordination Proceeding Number is 5046.

q) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a consumer packaging company, on behalf of non-exempt employees. On March 10, 2017, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Number is BC590429.

r) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a manufacturer of food service industry supplies on behalf of non-exempt employees. On April 14, 2017, the court granted final

1 approval of the class and PAGA representative action settlement. The Orange County Superior Court
2 Case Number is 30-2015-00810013-CU-OE-CXC.

3 s) LFJ, in association with co-counsel therein, represented the plaintiffs in a
4 wage-and-hour class and PAGA representative action against a lumber and hardware company on
5 behalf of non-exempt employees. On April 26, 2017, the court granted final approval of the class
6 and PAGA representative action settlement. The Orange County Superior Court Case Number is
7 30-2014-00747750-CU-OE-CXC.

8 t) LFJ represented the plaintiff in a wage-and-hour class and PAGA
9 representative action against a property management company, on behalf of non-exempt employees.
10 On June 14, 2017, the court granted final approval of the class and PAGA representative action
11 settlement. The Los Angeles County Superior Court Case Number is BC586234.

12 u) LFJ represented the plaintiff in a wage-and-hour class and PAGA
13 representative action against a food company on behalf of non-exempt employees. On June 30, 2017,
14 the court granted final approval of the class and PAGA representative action settlement. The
15 Sacramento County Superior Court Case Number is 34-2015-00175871.

16 v) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
17 representative action against a chocolate company on behalf of non-exempt employees. On July 19,
18 2017, the court granted final approval of the class and PAGA representative action settlement. The
19 Alameda County Superior Court Case Number is RG15764300.

20 w) LFJ represented the plaintiff in a PAGA representative action, against the
21 parent company of several restaurants, on behalf of hourly-paid, non-exempt employees. On
22 October 18, 2017, the court granted approval of the PAGA representative action settlement. The
23 Los Angeles County Superior Court Case Number is BC569664.

24 x) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
25 representative action against a manufacturer of plastic containers on behalf of non-exempt
26 employees. On October 31, 2017, the court granted final approval of the class and PAGA
27 representative action settlement. The Los Angeles County Superior Court Case Number is
28 BC577233.

1 y) LFJ, in association with co-counsel therein, represented the plaintiffs in a
2 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
3 employees. On December 11, 2017, the court granted final approval of the class and PAGA
4 representative action settlement. The Los Angeles County Superior Court Case Number is
5 BC569646.

6 z) LFJ, in association with co-counsel therein, represented the plaintiffs in a
7 wage-and-hour class and PAGA representative action against a property management company on
8 behalf of hourly-paid and non-exempt employees. On January 4, 2018, the court granted final
9 approval of the class and PAGA representative action settlement. The Los Angeles County Superior
10 Court Case Number is JCCP4819 and the Judicial Council Coordination Proceeding Number is
11 4819.

12 aa) LFJ, in association with co-counsel therein, represented the plaintiffs in a
13 wage-and-hour class and PAGA representative action against a global provider of flexible office
14 space solutions. On February 15, 2018, the court granted final approval of the class and PAGA
15 representative action settlement. The Los Angeles County Superior Court Case Number is
16 BC498401.

17 bb) LFJ, in association with co-counsel therein, represents the plaintiff in a wage-
18 and-hour class action against a container manufacturer, on behalf of non-exempt employees. On
19 October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare County
20 Superior Court Case Number is VCU264528.

21 cc) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
22 representative action against a behavioral health service provider on behalf of non-exempt
23 employees. On November 13, 2018, the court granted final approval of the class and PAGA
24 representative action settlement. The Alameda County Superior Court Case Number is
25 RG16811450.

26 dd) LFJ, in association with co-counsel therein, represented the plaintiff in a
27 PAGA representative action against a global provider of products and services to the energy
28 industry, on behalf of hourly-paid and non-exempt employees. On November 19, 2018, the court

1 granted approval of the PAGA representative action settlement. The Kern County Superior Court
2 Case Number is S-1500-CV-280215-SDC.

3 ee) LFJ, in association with co-counsel therein, represents the plaintiff in a wage-
4 and-hour class action against a parking company on behalf of non-exempt employees. On
5 September 3, 2019, the court granted the plaintiff's motion for class certification and certified a
6 class. The Santa Clara County Superior Court Case Number is 16CV292208 and the Judicial
7 Council Coordination Proceeding Number is 4886.

8 ff) LFJ, in association with co-counsel therein, represents the plaintiffs in a
9 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
10 employees. On September 27, 2019, the court granted the plaintiffs' motion for class certification
11 in part and certified a class. The Alameda County Superior Court Case Number is RG15757606 and
12 the Judicial Council Coordination Proceeding Number is 4921.

13 gg) LFJ, in association with co-counsel therein, represented the plaintiffs in a
14 wage-and-hour class and PAGA representative action against a national retailer of apparel and
15 fashion accessories, on behalf of non-exempt employees. On October 9, 2019, the court granted the
16 plaintiffs' motion for class certification in part and certified a class. On May 14, 2021, the court
17 granted final approval of the class and PAGA representative action settlement. The Sacramento
18 County Superior Court Case Number is 34-2015-00175330-CU-OE-GDS.

19 hh) LFJ, in association with co-counsel therein, represents the plaintiff in a wage-
20 and-hour class and PAGA representative action against a medical equipment supplier on behalf of
21 non-exempt employees. On February 13, 2020, the court granted the plaintiff's motion for class
22 certification and certified a class. On November 2, 2023, the court granted final approval of the
23 class and PAGA representative action settlement. The San Bernardino County Superior Court Case
24 Number is CIVDS1505744.

25 ii) LFJ, in association with co-counsel therein, on behalf of the plaintiff and
26 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed and
27 argued an appeal with respect to the employer's motion to compel arbitration, resulting in a notable
28 decision from the California Supreme Court clarifying the law regarding PAGA claims, *ZB, N.A. v.*

1 *Superior Court* (2019) 8 Cal.5th 175. On February 21, 2020, the court granted approval of the
2 PAGA representative action settlement. The San Diego County Superior Court Case Number is 37-
3 2016-00005578-CU-OE-CTL.

4 jj) LfJ, in association with co-counsel therein, represented the plaintiff in a
5 wage-and-hour class and PAGA representative action against a large national drug testing laboratory
6 on behalf of non-exempt employees. On February 21, 2020, the court granted the plaintiff's motion
7 for class certification and certified a class. On October 28, 2022, the court granted final approval of
8 the class and PAGA representative action settlement. The San Diego County Superior Court Case
9 Number is 37-2018-00019611-CU-OE-CTL.

10 kk) LfJ, in association with co-counsel therein, represents the plaintiffs in a
11 wage-and-hour class and PAGA representative action against a national retailer of sportswear,
12 footwear, and camping equipment on behalf of non-exempt employees. On March 16, 2020, the
13 court granted in part the plaintiffs' motion for class certification and certified a class. The Riverside
14 County Superior Court Case Numbers are RIC1507504 and RICJCCP4930, and the Judicial Council
15 Coordination Proceeding Number is 4930.

16 ll) LfJ, in association with co-counsel therein, represented the plaintiffs in a
17 wage-and-hour class and PAGA representative action against a plastic packaging company on behalf
18 of non-exempt employees. On June 8, 2020, the court granted in part the plaintiffs' motion for class
19 certification and certified a class. On November 8, 2021, the court granted approval of the partial
20 settlement of the action. On April 22, 2024, the court granted approval of the PAGA settlement and
21 entered an order dismissing the action. The San Bernardino County Superior Court Case Number is
22 CIVDS1507361.

23 mm) LfJ, in association with co-counsel therein, represented the plaintiffs in a
24 wage-and-hour class action against manufacturer and supplier of power products and services on
25 behalf of non-exempt employees. On July 31, 2020, the court granted in part the plaintiffs' motion
26 for class certification and certified a class. On August 27, 2021, the court granted final approval of
27 the class action settlement. The San Diego County Superior Court Case Number is 37-2015-
28 00025968-CU-OE-CTL.

nn) LfJ represents the plaintiff in a wage-and-hour class action against a nutritional products manufacturer on behalf of non-exempt production line employees. On December 13, 2021, the court granted the plaintiff's motion for class certification in part and certified a class. On January 16, 2024, the court granted final approval of the class and PAGA representative action settlement. The Solano County Superior Court Case Number is FCS051001.

oo) LfJ represents the plaintiffs in a wage-and-hour class action against a manufacturer and distributor of commercial dish and glass cleaning machines and supplies for the restaurant and hospitality industries, on behalf of hourly-paid or non-exempt employees. On July 13, 2023, the court granted the plaintiffs' motion for class certification and certified a class. The Los Angeles County Superior Court Case Number is BC707670.

THE SETTLEMENT AND SUMMARY OF WORKED PERFORMED

8. Marked and attached hereto as "**EXHIBIT 1**" is the Class Action and PAGA Settlement Agreement ("Settlement," "Agreement," or "Settlement Agreement") entered into by and between Plaintiffs, individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendant Parsec Inc., d/b/a Ohio Parsec, Inc. ("Defendant"), on the other hand. The Parties and their counsel have approved the proposed Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Class Notice"), which is attached to the Settlement Agreement as "Exhibit A" and respectfully request that the Court approve it as well.

9. The effectiveness of Lawyers *for* Justice, PC ("Class Counsel") in prosecuting this matter has translated into tangible monetary benefits for the Class Members in the following respects: (1) Class Members recover over a reasonably short period of time as opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result that compares favorably with other similar class action settlements of this type given the strengths and weaknesses of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only increased significantly had the case progressed through certification, trial, and/or appeals.

10. Class Counsel has litigated the matter for nearly three years and was actively preparing the matters for class certification and trial. The Parties have engaged in extensive

1 settlement negotiations and participated in a full-day mediation on June 29, 2023 conducted by Mark
2 Rudy (“the Mediator”), a well-respected mediator experienced in mediating complex labor and
3 employment matters. In the course of the litigation and in connection with the mediation and
4 settlement discussions, the Parties exchanged extensive information and engaged in discussions
5 regarding their evaluations of the case and various aspects of the case, including but not limited to,
6 the risks and delays of further litigation, the risks to the Parties of proceeding with class certification
7 and/or representative adjudication, the law relating to off-the-clock theory, meal and rest periods,
8 regular rate of pay, rounding, PAGA representative actions, and state wage-and-hour law and
9 enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among
10 other things. During all settlement discussions, the Parties conducted their negotiations at arm’s
11 length in an adversarial position. Arriving at a settlement that was acceptable to all Parties was not
12 easy. Defendant and its counsel felt strongly about their ability to prevail on the merits and at
13 certification, and Plaintiffs and Class Counsel believed that they would be able to obtain class
14 certification and prevail at trial. After conducting investigations, formal and informal discovery and
15 exchange of information, multiple depositions, extensive settlement negotiations, the Parties have
16 agreed, with the aid of the mediator’s evaluation, that the matter is well-suited for settlement given
17 the legal issues relating to Plaintiffs’ principal claims, as well as the costs and risks to both sides that
18 would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of the
19 Released Class Claims of Plaintiffs and Class Members, and of the Released PAGA Claims of
20 Plaintiffs, the State of California, and the Aggrieved Employees, against the Released Parties.

21 11. Prior to engaging in mediation, Class Counsel conducted significant investigation
22 into the facts of the case and engaged in extensive formal and informal discovery and review and
23 analysis of thousands of pages of documents and data produced by Defendant. The volume of data
24 and documents that Class Counsel reviewed and analyzed included, and was not limited to: Plaintiffs
25 and other Class Members’ employment records; a detailed sampling of Class Members’ time and
26 pay data (including, but not limited to, timecards, payroll records, and wage statements);
27 Defendant’s Employee Handbooks, agreements (such as collective bargaining agreements and
28 Release and Acknowledgment Agreements), internal memoranda, job titles and descriptions,

1 operations and employment practices, forms (such as Defendant's Employee Training
2 Documentation forms), procedures, and policies (such as Defendant's Attendance and Punctuality
3 Policy), among other information and documents. Class Counsel interviewed Plaintiffs and other
4 Class Members to gather facts and to identify potential witnesses. Class Counsel served multiple
5 sets of formal written discovery requests and reviewed Defendant's responses thereto. The Parties
6 exchanged FRCP Rule 26(a) Initial Disclosures. Class Counsel also took the depositions of two of
7 Defendant's FRCP Rule 30(b)(6) designees and prepared for and defended the deposition of Plaintiff
8 Johnson. Counsel for the Parties also met and conferred on numerous occasions, e.g., to discuss
9 issues relating to the pleadings, discovery, motion practice, and the production of documents and
10 data. Class Counsel also prepared for and attended court proceedings and settlement negotiations,
11 among other tasks.

12 12. Counsel for the Parties have also invested time researching and investigating the
13 applicable law, which is constantly evolving as it relates to class certification, representative PAGA
14 claims, off-the-clock theory, meal and rest periods, regular rate of pay, rounding, state wage-and-
15 hour law and enforcement, Plaintiffs' claims and damages, and Defendant's defenses thereto, as well
16 as facts discovered. Based on our analysis, I submit that the result achieved in this litigation is fair,
17 adequate, and reasonable.

18 13. The Settlement provides for a Gross Settlement Amount of \$4,476,098. The Net
19 Settlement Amount is the Gross Settlement Amount less the following amounts subject to approval
20 by the Court: Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class
21 Representative Service Payments to Plaintiffs, Settlement Administration Costs to the Settlement
22 Administrator, and the PAGA Penalties. Assuming that the amounts allocated under the Settlement
23 toward these payments are awarded by the Court, the Net Settlement Amount that will be available
24 for distribution to Participating Class Members is currently estimated to be \$2,304,463.70.
25 Additionally, 25% of the PAGA Penalties (i.e., Individual PAGA Payment), which is \$125,000.00
26 out of \$500,000.00, will be distributed to the Aggrieved Employees, for their respective portion of
27 the PAGA Penalties. The Gross Settlement Amount will be fully distributed in accordance with the
28 terms of the Settlement, and there is no reversion to Defendant.

1 14. The Parties have agreed to retain Phoenix Class Action Administration Solutions
2 (“Phoenix” or “Settlement Administrator”) to handle the notice and settlement administration
3 process. The Parties respectfully request that the Court appoint Phoenix to handle these procedures
4 and serve as the Settlement Administrator. Defendant will provide Phoenix with a list of Class
5 Members that Defendant will compile from its records, which will include each Class Member’s and
6 Aggrieved Employee’s full name, last-known mailing address, Social Security number, and number
7 of Class Period Workweeks and PAGA Pay Periods (“Class Data”), and the Settlement
8 Administrator will calculate each Class Member’s estimated share of the Net Settlement Amount
9 (“Individual Settlement Payment”). The Settlement Administrator will also receive requests for
10 exclusion from the Class Settlement, objections to the Class Settlement, and disputes regarding
11 Workweeks; provide necessary reports and declarations; calculate, subtract, and transmit necessary
12 taxes and withholdings; prepare and submit informational and other tax filings and documents; issue
13 and transmit all payments provided for by the Settlement, including and not limited to, mailing
14 Individual Settlement Payment checks to the Participating Class Members; mailing Individual
15 PAGA Payment checks to Aggrieved Employees; and perform any other usual and customary duties
16 for administering a class action settlement. Settlement Administrator costs are currently estimated
17 not to exceed \$20,000.00 and will be paid out of the Gross Settlement Amount, subject to approval
18 of the Court.

19 15. Based on investigation and information discovered, Class Counsel believes that there
20 is sufficient evidence to support the allegations made in the lawsuit, including the allegations that
21 Defendant, with respect to Plaintiffs, Class Members, and Aggrieved Employees, *inter alia*, failed
22 to properly pay overtime and minimum wages, failed to provide compliant meal and rest periods and
23 to properly pay associated premium pay, failed to timely pay wages during employment and upon
24 termination of employment, failed to provide compliant wage statements, failed to maintain requisite
25 payroll records, and failed to reimburse necessary business expenses, and thereby engaged in unfair
26 business practices and conduct giving rise to civil penalties recoverable under the Private Attorneys
27 General Act of 2004 (California Labor Code sections 2698, et seq.). Plaintiffs also asserted that
28 Class Members were expected to perform similar job duties and/or were subject to the same or

1 similar operations and employment policies, practices, and procedures. Additionally, Plaintiffs
2 asserted that Defendant's payroll and recordkeeping practices with respect to Plaintiffs, Class
3 Members, and Aggrieved Employees were substantially the same during the time period at issue.
4 As a result of said alleged uniform practices, Plaintiffs claim that the Class Members were not paid
5 all of the compensation that was owed to them by Defendant. Thus, in Class Counsel's view, it is
6 clear that the outcome of this litigation would be determined by Defendant's uniform operations and
7 employment practices, policies, and procedures that Plaintiffs allege applied across its hourly-paid
8 or non-exempt employees in California during the relevant time period.

9 16. Class Counsel is aware of the defenses and position of Defendant but believes that
10 Plaintiffs could potentially obtain class certification despite many obstacles. Plaintiffs and Class
11 Counsel have also taken into account the uncertainty and risk of the outcome of further litigation,
12 and the difficulties and delays inherent in such litigation, including those involved in class
13 certification and/or representative adjudication. Plaintiffs further recognize the burdens of proof
14 necessary to establish liability for the claims asserted in the lawsuit, Defendant's defenses, and the
15 difficulties in establishing entitlement to monetary recovery. Plaintiffs and Class Counsel have also
16 considered the Parties' settlement discussions, as well as the evaluations of the Mediator, who is
17 experienced and well-regarded in complex labor and employment matters.

18 17. Defendant, on the other hand, denied and continues to deny any liability and
19 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further denies that the
20 lawsuit is appropriate for class treatment or representative adjudication for any purpose other than
21 this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides have
22 also had the opportunity to interview witnesses and review documents and information relating to
23 Plaintiffs', Class Members', and Aggrieved Employees' employment with Defendant, and
24 Defendant's operations and employment policies, practices, and procedures. The Parties also
25 reviewed and analyzed thousands of pages of documents and data to determine the potential value
26 and strength of the claims. The available information enabled Class Counsel to assess and value the
27 class and PAGA claims and prepare violation, damages, and penalties analyses models. Accordingly,
28 the Parties have conducted adequate investigation and discovery to be sufficiently informed of the

1 nature and extent of the Class Members' claims, and to enable both sides to fully evaluate the
2 Settlement for its fairness, adequacy, and reasonableness. The Settlement takes into account the
3 strengths and weaknesses of each side's position and the uncertainty of how the case might have
4 concluded at certification, trial, and/or appeals.

5 18. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in
6 an amount of up to 35% of the Gross Settlement Amount (i.e., \$1,566,634.30) and for Class Counsel
7 to apply for reimbursement of their actual costs and expenses of not more than \$50,000.00, which
8 will be paid out of the Gross Settlement Amount, subject to approval by the Court. It should be
9 noted that Class Counsel has borne all of the risks and costs of litigation and will not receive any
10 compensation until recovery is obtained.

11 19. The Settlement Agreement provides for payment of Class Representative Service
12 Payments to the Class Representatives of not more than \$15,000.00 for Plaintiff Johnson, \$12,500.00
13 for Plaintiff Kennedy, and \$7,500.00 for Proposed Plaintiff Walker, in addition to any Individual
14 Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive
15 as Participating Class Members, to be paid out of the Gross Settlement Amount subject to approval
16 by the Court. Plaintiffs spent considerable time and effort to produce relevant documents and past
17 employment records and to provide the facts and evidence necessary to attempt to prove the
18 allegations. Plaintiffs were available whenever Class Counsel needed them and actively tried to
19 obtain information that would benefit the Class. Plaintiff Johnson prepared for and attended his
20 deposition, and Plaintiff Kennedy was preparing to do so. Accordingly, it is appropriate and just for
21 Plaintiffs to receive an Enhancement Award, in addition to their individual settlement payments, for
22 their services on behalf of the Class, Aggrieved Employees, and State of California.

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20. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of Plaintiffs, the Class, and State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the case, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 20th day of June 2024, at Glendale, California.



Elizabeth Parker-Fawley

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs **Tyrone Johnson, Terrence Kennedy, and James Walker** (“Plaintiffs”) and Defendant **Parsec, Inc.** (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS

- 1.1. “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against Defendant captioned *Tyrone Johnson, et al. v. Parsec, Inc.* initiated on August 5, 2022 and pending in the Superior Court of the State of California, County of Los Angeles (Case No.: 22STCV25427).
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means a non-exempt or hourly-paid employee employed by Defendant in the State of California who worked for Defendant at any time during the PAGA Period.
- 1.5. “Class” means all of Defendant’s current and former non-exempt or hourly-paid employees employed by Defendant in the State of California who worked for Defendant at any time during the Class Period.
- 1.6. “Class Counsel” means Edwin Aiwarzian and Elizabeth Parker-Fawley of Lawyers for Justice, PC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action and the Federal Class Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class 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.

- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from August 8, 2018 through September 27, 2023.
- 1.13. “Class Representatives” means the named Plaintiffs in the Action seeking Court approval to serve as Class Representatives.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of Los Angeles.
- 1.16. “Defendant” means named Defendant Parsec, Inc. d/b/a Ohio Parsec, Inc.
- 1.17. “Defense Counsel” means Adam Y. Siegel and Kishaniah Dhamodaran of Jackson Lewis P.C.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, 65 days after 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, 10 days after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means Four Million Four Hundred and Seventy-Six Thousand and Ninety Eight Dollars and Zero Cents (\$4,476,098.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments and the Administrator’s Expenses.

- 1.23. “Individual Class Payment” means a Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means an Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties which shall be calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency identified in Labor Code section 2699, subd. (i).
- 1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.27. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.28. “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.
- 1.29. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 5.1. “PAGA Period” means the period from June 1, 2021 through September 27, 2023.
- 1.30. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.31. “PAGA Notice” means Plaintiff Terrence Kennedy’s May 23, 2022 letter, Plaintiff Tyrone Johnson’s June 1, 2022 letter, and Plaintiff James Walker’s June 21, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.32. “PAGA Penalties” means the \$500,000 to be paid from the Gross Settlement Amount for PAGA civil penalties, allocated 25% to the Aggrieved Employees (\$125,000) and 75% to the LWDA (\$375,000) in settlement of the PAGA claims.
- 1.33. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.34. “Plaintiffs” means Tyrone Johnson, Terrence Kennedy, and James Walker, the named Plaintiffs in the Action.
- 1.35. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

- 1.36. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.37. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.38. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.39. “Released Parties” means: Defendant and all of its present and former parent companies, subsidiaries, divisions, concepts, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Class Claims, and/or Released PAGA Claims, respectively, and Defendant’s counsel of record in the Action.
- 1.40. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.41. “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail their 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 expiration date.
- 1.42. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.43. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS

- 2.1. On August 5, 2022, Plaintiffs Tyrone Johnson and Terrence Kennedy commenced this Action by filing a Complaint alleging a single cause of action against Defendant in the Superior Court of California, County of Los Angeles for civil penalties pursuant to PAGA (Case No.: 22STCV25427) (defined as the “Action” in Section 1.1).
- 2.2. On August 8, 2022, Plaintiffs Tyrone Johnson and Terrence Kennedy commenced a second action by filing a Complaint alleging the following causes of action against Defendant in the Superior Court of California, County of Los Angeles on a class-wide basis (Case No.: 22STCV25562): (1) Unpaid Overtime in Violation of Labor Code sections 510 and 1198; (2) Unpaid Meal Period Premiums in Violation of Labor Code sections 226.7 and 512(a); (3) Unpaid Rest Period Premiums in Violation of Labor Code section 226.7; (4) Unpaid Minimum Wages in Violation of Labor Code sections 1194, 1197, and 1197.1; (5) Final Wages Not Timely Paid in Violation of Labor Code

sections 201 and 202; (6) Wages Not Timely Paid During Employment in Violation of Labor Code section 204; (7) Non-Compliant Wage Statements in Violation of Labor Code section 226(a); (8) Failure to Keep Requisite Payroll Records in Violation of Labor Code section 1174(d); (9) Unreimbursed Business Expenses in Violation of Labor Code sections 2800 and 2802; and (10) Violation of California Business and Professions Code sections 17200, et seq.

- 2.3. On September 26, 2022, Defendant removed the Class Action referenced in Paragraph 2.2 to the United States District Court for the Central District of California pursuant to 28 U.S.C. sections 1332, 1441, 1446, and 1453 (CAFA). The Class Action is currently pending in the above-referenced federal court (Case No.: 2:22-cv-06930) (hereinafter, the “Federal Class Action”).
- 2.4. Plaintiffs Tyrone Johnson and Terrence Kennedy will file a First Amended Complaint in this Action to include the claims in the Federal Class Action only for the purposes of Settlement and to seek approval of the Settlement of both this Action and the Federal Class Action in one forum. Once the Settlement is approved, Plaintiffs will dismiss the Federal Class Action in its entirety with prejudice.
- 2.5. Plaintiffs Tyrone Johnson and Terrence Kennedy’s First Amended Complaint in this Action will add Plaintiff James Walker as a named Plaintiff to the Action.
- 2.6. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”) for purposes of the Settlement only. Should the Settlement not be approved, the First Amended Complaint shall be stricken and the original Complaint shall become the Operative Complaint. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.7. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.8. On June 29, 2023, Plaintiffs and Defendant, by and through the Class Counsel and Defense Counsel respectively, participated in an all-day mediation presided over by Mark Rudy, which led to this Agreement to settle the Action.
- 2.9. Prior to mediation, Plaintiffs obtained, through informal discovery, time records, pay records, and other information relating to the size and scope of the Class, as well as data permitting Plaintiffs to fully understand the nature and scope of the allegations. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.10. The Court has not granted class certification.

- 2.11. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay Four Million Four Hundred and Seventy-Six Thousand and Ninety Eight Dollars and Zero Cents (\$4,476,098.00) and no more as the Gross Settlement Amount. Defendant shall pay employer payroll taxes separate and apart from the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

- 3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than Fifteen Thousand Dollars and Zero Cents (\$15,000.00) for Class Representative Tyrone Johnson, Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00) for Class Representative Terrence Kennedy, and Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for Class Representative James Walker, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members. Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves the Class Representative Service Payments for less than the amounts requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on their individual Class Representative Service Payment.

- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35%, which is currently estimated to be One Million Five Hundred Sixty-Six Thousand Six Hundred and Thirty-Four Dollars and Thirty Cents (\$1,566,634.30) and a Class Counsel Litigation Expenses Payment of not more than Fifty Thousand Dollars and Zero Cents (\$50,000.00). Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel

will file a motion for Class Counsel Fees Payment and Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$20,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$20,000, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- 3.2.5.1. Tax Allocation of Individual Class Payments: 15% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The other 85% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
- 3.2.5.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments: Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) to be paid from the Gross Settlement Amount, with 75% (\$375,000.00) allocated to the LWDA

PAGA Payment and 25% (\$125,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$125,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Class Workweeks and Aggrieved Employee Pay Periods: Based on a review of its records to date, Defendant estimates there are approximately 2,522 Class Members who collectively worked a total of 274,612 Workweeks, and 1,596 Aggrieved Employees who worked a total of 120,227 PAGA Periods.

4.2. Class Data: Not later than 30 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount: Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount: Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments.

Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database
- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 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. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subd. (b). Any fees or costs associated with depositing the uncashed checks with the California Controller's Unclaimed Property Fund shall be paid from the Gross Settlement Amount.
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASE OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. **Plaintiffs' Release:** Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: any and all claims, known and unknown, asserted and not asserted, which the Plaintiffs have or may have against the Released Parties as of the date of execution of this Agreement ("Plaintiffs' Released Claims"). The Plaintiffs' Released Claims include, but are not limited to, all of the Released Class Claims, the Released PAGA Claims and any other claims arising under the California Labor Code; any claim arising out of the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and federal common law; all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, and the law of contract and tort. This release excludes the release of claims not permitted by law. Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

- 5.1.1. **Plaintiffs' Waiver of Rights Under California Civil Code Section 1542:** For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

- 5.2. **Release by Participating Class Members:** All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action, including without limitation, California Labor Code sections 200, 201, 202, 203,

204, 206, 210, 218.6, 226, 226.3, 226.7, 500, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698 et seq., 2800, 2802, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged unpaid wages, overtime or double time wages, minimum wages, timely payment of wages during employment and at separation, meal periods and meal period premiums, rest periods and rest period premiums, wage statement penalties, unreimbursed business expenses, failure to keep requisite payroll records, unfair competition, unfair business practices, injunctive relief as it relates to the claims listed above, declaratory relief as it relates to the claims listed above, liquidated damages, penalties recoverable pursuant to the claims listed above (including civil penalties pursuant to PAGA), interest, fees, costs, as well as all other claims and allegations alleged in the Action, throughout the Class Period (“Released Class Claims”). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.3. Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice and ascertained in the course of the Action, including civil penalties pursuant to PAGA for or related to alleged unpaid wages, overtime or double time wages, minimum wages, timely payment of wages during employment and at separation, meal periods and meal period premiums, rest periods and rest period premiums, wage statement penalties, unreimbursed business expenses, failure to keep requisite payroll records, unfair competition, unfair business practices, injunctive relief as it relates to the claims listed above, declaratory relief as it relates to the claims listed above, liquidated damages, penalties recoverable pursuant to the claims listed above, interest, fees, costs, as well as all other claims and allegations alleged in the Action, throughout the PAGA Period (“Released PAGA Claims”).

6. **MOTION FOR PRELIMINARY APPROVAL**. The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

6.1. Plaintiffs’ Responsibilities: Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement;

(iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the Parties’ Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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

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

7. SETTLEMENT ADMINISTRATION.

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

than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number: The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3. Qualified Settlement Fund: The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4. Notice to Class Members:

7.4.1. No later than 3 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2. Using best efforts to perform as soon as possible, and in no event later than 45 days after the Court grants Preliminary Approval of the Settlement, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by USPS. If USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by USPS a second time.

7.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on

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

7.5. Requests for Exclusion (Opt-Outs):

- 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. Aggrieved Employees are prohibited from requesting exclusion from the Released PAGA Claims.
- 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Workweeks: Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7. Objections to Settlement:

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

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

7.7.4. Aggrieved Employees are not permitted to object to any of the PAGA components of the Settlement.

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

7.8.1. Email Address and Toll-Free Number: The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List: The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their

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

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

8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Defendant estimates that, as of the date of this Agreement, there are 2,522 Class Members who collectively worked a total of 274,612 Workweeks during the Class Period, and 1,596 Aggrieved Employees who worked a total of 120,227 PAGA Periods. To the extent that the actual number of Workweeks exceeds 274,612 by more than 10%, Defendant will have the option to either increase the Maximum Settlement Amount above the 10% (*e.g.*, if the number of workweeks increase by 11%, Defendant shall increase the Gross Settlement Amount by 1%) or cut off the Class Period as of the date the workweeks increased by more than 10%.
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 3% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 14 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel no later than 7 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
 - 10.1. **Response to Objections:** Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
 - 10.2. **Duty to Cooperate:** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 10.3. Continuing Jurisdiction of the Court: The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4. Dismissal of Federal Class Action: The Parties agree that after entry of Judgment, Plaintiffs will dismiss the Federal Class Action, referenced in Paragraph 2.3 and currently pending in the United States District Court for the Central District of California, in its entirety with prejudice.
- 10.5. Waiver of Right to Appeal: Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-Judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.6. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment: If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
11. **AMENDED JUDGMENT**. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.
12. **ADDITIONAL PROVISIONS**.
- 12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes: This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have

merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.2. Confidentiality Prior to Preliminary Approval: The Parties agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3. No Solicitation: The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4. Integrated Agreement: Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization: Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this

Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 12.6. Cooperation: The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No Prior Assignments: The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. No Tax Advice: Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. Modification of Agreement: This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10. Agreement Binding on Successors: This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law: All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting: The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality: To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data: Information provided to Class Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any

existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 12.15. Headings: The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16. Calendar Days: Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17. Notice: All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, to the other Party's respective counsel of record.
- 12.18. Execution in Counterparts: This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.19. Stay of Litigation: The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 05/28/2024, 2024

Tyrone Johnson



Dated: _____, 2024

Terrence Kennedy

existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 12.15. Headings: The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16. Calendar Days: Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17. Notice: All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, to the other Party's respective counsel of record.
- 12.18. Execution in Counterparts: This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.19. Stay of Litigation: The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: _____, 2024

Tyrone Johnson

Dated: 5/29/2024, 2024

Terrence Kennedy

Electronically Signed 2024-05-29 16:20:08 UTC - 104.28.85.137
Nintex AssureSign® 2d50c2a6-211a-474b-8730-b17e0181d883



Dated: 05-28-2024, 2024

James Walker

Electronically Signed _____ 2024-05-28 23:54:55 UTC - 76.39.66.129
Nintex AssureSign® _____ bfa43d2b-3ee0-43eb-b17e016b266

Dated: 5/30/2024, 2024

Parsec, Inc.

David Budig

By: David Budig
Title: President

Approved as to form and content:

Dated: May 29, 2024

LAWYERS *for* JUSTICE, PC

Elg MJP

Edwin Aiwarzian, Esq.
Elizabeth Parker-Fawley, Esq.
Attorneys for Plaintiffs Tyrone Johnson,
Terrence Kennedy, and James Walker, on
behalf of themselves and all others similarly
situated

Dated: May 30, 2024

JACKSON LEWIS P.C.

Adam Y. Siegel

Adam Y. Siegel Esq.
Kishaniah Dhamodaran, Esq.
Attorneys for Defendant Parsec, Inc.

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Tyrone Johnson, et al. v. Parsec, Inc. (Case No. 22STCV25427)

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) entitled *Tyrone Johnson, et al. v. Parsec, Inc.* for alleged wage and hour violations. The Action was filed by former Parsec employees (“Plaintiffs”) and seeks (1) monetary relief for a class of current and former non-exempt, hourly-paid employees employed by Parsec, Inc. in the State of California who worked for Parsec, Inc. during the Class Period from August 8, 2018 through September 27, 2023 (“Class Members”); and (2) civil penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt, hourly-paid employees who worked for Parsec during the PAGA Period from June 1, 2021 through September 27, 2023 (“Aggrieved Employees”). For the purposes of this Notice, Parsec, Inc. shall be referred to here as the “Company.”

The proposed Settlement has two main parts: (1) a Class Settlement requiring the Company to fund Individual Class Payments, and (2) a PAGA Settlement requiring the Company to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on the Company’s records, and the Parties’ current assumptions, your Individual Class Payment is estimated to be \$ [] (less withholding) and your Individual PAGA Payment is estimated to be \$ []. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to the Company’s records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on the Company’s records showing that you worked [] workweeks during the Class Period and you worked [] pay periods during the PAGA Period. If you believe that you worked more workweeks/pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires the Company to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against the Company.

If you worked for the Company during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against the Company.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against the Company. You cannot opt-out of the PAGA portion of the proposed Settlement.

The Company will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You don't have to do anything to participate in the Settlement.	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against the Company that are covered by this Settlement (Released Claims).
You can opt-out of the Class Settlement but not the PAGA Settlement. The opt-out deadline is [].	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. The Company must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members can object to the Class Settlement but not the PAGA Settlement. Written objections	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You

must be submitted by [].	can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice. You cannot object to the PAGA portion of the Settlement.
You can participate in the Final Approval Hearing.	The Court's Final Approval Hearing is scheduled to take place on []. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Class Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You can challenge the calculation of your Workweeks/Pay Periods. Written challenges must be submitted by [].	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks during which you worked at least one day during the Class Period and how many Pay Periods during which you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and PAGA Pay Periods you worked according to the Company's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by []. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former Company employees. The Action accuses the Company of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and during employment, and business expenses, and failing to provide meal periods, rest periods, and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code sections 2698, et seq.) ("PAGA") and under the California Business & Professions Code section 17200, et seq.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether the Company or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and the Company hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and the Company have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, the Company does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) the Company has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- a. The Company Will Pay \$4,476,098.00 as the Gross Settlement Amount (Gross Settlement). The Company has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Settlement Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, the Company will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
- b. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - i. Up to \$1,566,634.30 (35% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$50,000.00 for litigation expenses. To date, Class Counsel has worked and incurred expenses on the Action without payment.
 - ii. Up to \$25,000.00 as Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. The Class Representative Service Payments will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment(s) and any Individual PAGA Payment(s) under the Settlement.
 - iii. Up to \$20,000 to the Administrator for services administering the Settlement.
 - iv. Up to \$500,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

- c. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- d. Taxes Owed on Payments to Class Members. The Settlement shall be broken down as follows: 15% (“Wage Portion”) of each Individual Class Payment to taxable wages and 85% (“Non-Wage Portion”) to penalties and interest. The Wage Portion is subject to withholding and will be reported on IRS W-2 Forms. The Company will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and the Company have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- e. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. It will be your responsibility to obtain any Settlement funds belonging to you that are deposited with the Unclaimed Property Fund. You should consult the rules of the Fund for instructions on how to retrieve your money.
- f. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (*i.e.*, Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue the alleged wage and hour claims against the Company.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against the Company based on the PAGA Period facts

alleged in the Action.

- g. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and the Company have agreed that, in either case, the Settlement will be void: the Company will not pay any money and Class Members will not release any claims against the Company.
- h. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
- i. Participating Class Members’ Release. After the Judgment is final and the Company has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against the Company or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action, including without limitation, California Labor Code sections 200, 201, 202, 203, 204, 206, 210, 218.6, 226, 226.3, 226.7, 500, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698 et seq., 2800, 2802, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged unpaid wages, overtime or double time wages, minimum wages, timely payment of wages during employment and at separation, meal periods and meal period premiums, rest periods and rest period premiums, wage statement penalties, unreimbursed business expenses, failure to keep requisite payroll records, unfair competition, unfair business practices, injunctive relief as it relates to the claims listed above, declaratory relief as it relates to the claims listed above, liquidated damages, penalties recoverable pursuant to the claims listed above (including civil penalties pursuant to PAGA), interest, fees, costs, as well as all other claims and

allegations alleged in the Action, from August 8, 2018 through September 27, 2023.

- j. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and the Company has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against the Company, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including Participating Class Members and Non-Participating Class Members, cannot sue, continue to sue, or participate in any other PAGA claim against the Company or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- a. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
- b. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$125,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
- c. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in the Company's records, are stated in the first page of this Notice. You have until [] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept the Company's calculation of Workweeks and/or Pay Periods based on the Company's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and the Company's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

- a. Participating Class Members. The Administrator will send, by U.S. mail, a single

check to every Participating Class Member (*i.e.*, every Class Member who does not opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment, if applicable.

- b. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (*i.e.*, every Non-Participating Class Member).

Your check will be sent to the same address as in this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Tyrone Johnson, et al. v. Parsec, Inc.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [], or it will be invalid. Section 9 of the Notice has the Administrator's contact information. Remember, you cannot opt-out of the PAGA portion of the Settlement.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and the Company are asking the Court to approve. At least [] days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Service Awards for being Class Representatives. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website ([]) or the Court's website ([]).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. The deadline for sending written objections to the Administrator is []. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Tyrone Johnson, et al. v. Parsec, Inc.* and include your name, current address, telephone number, and approximate dates of

employment for the Company and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing. Remember, you cannot object to the PAGA portion of the Settlement.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [] at [] at the Stanley Mosk Courthouse in Department 24 of the Los Angeles Superior Court, located at 111 North Hill Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comments from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website ([]) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything the Company and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website ([]). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 22STCV25427. You can also make an appointment to personally review court documents in the Clerk's Office.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

The contact information for the Settlement Administrator is as follows:

[]

The addresses for the Parties' Counsel are as follows:

Class Counsel	Defense Counsel
Edwin Aiwarzian Elizabeth Parker-Fawley Lawyers for Justice, PC 410 Arden Ave, Suite 203 Glendale, CA 91203 Tel.: (818) 265-1020 Fax: (818) 265-1021	Adam Y. Siegel Kishaniah Dhamodaran Jackson Lewis P.C. 725 S. Figueroa St., Suite 2500 Los Angeles, CA 90017 Tel.: (213) 689-0404 Fax: (213) 689-0430 E-Mail: Adam.Siegel@jacksonlewis.com E-Mail: Kishaniah.Dhamo@jacksonlewis.com

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.