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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

TLALOC MUNOZ, an individual;  
MIGUEL RUIZ, an individual; EDGAR  
CORONA, an individual, STEVEN  
SNAVELY, an individual, on behalf of  
themselves and all others similarly  
situated,

Plaintiffs,

vs.

EARTHGRAINS DISTRIBUTION,  
LLC a Delaware limited liability  
company; BIMBO BAKERIES USA,  
INC., a Delaware corporation; and  
DOES 1 through 100, inclusive,

Defendants.

Case No. 3:22-cv-01269-AJB-AHG

Honorable Anthony J. Battaglia

**STIPULATION OF CLASS AND  
PAGA REPRESENTATIVE  
ACTION SETTLEMENT**

1 This Stipulation of Settlement (“Stipulation” or “Settlement”) is made and  
2 entered into, as of the date set forth below, between Plaintiffs Tlaloc Munoz,  
3 Miguel Ruiz, Edgar Corona, and Steven Snavelly (“Plaintiffs”) and Defendants  
4 Earthgrains Distribution LLC and Bimbo Bakeries USA, Inc. (“Defendants”), who  
5 are parties to the above-captioned litigation (together, the “Parties”).

6 **1. DEFINITIONS**

7 1.1 “Action” means the above-captioned action, *Munoz, et al. v.*  
8 *Earthgrains Distribution LLC, et al.*, United States District Court for the Southern  
9 District of California Court Case No. 3:22-cv-01269-AJB-AHG.

10 1.2 “Arbitration Agreements” means the binding agreement that all  
11 Participating Class Members that are current IBPs as of the date of preliminary  
12 approval will be required to execute to receive Individual Settlement Payments, a  
13 copy of which is attached hereto as **Exhibit 1**.

14 1.3 “CAFA Notice” means notice of this proposed Settlement to the  
15 appropriate federal and state officials pursuant to the Class Action Fairness Act of  
16 2005, 28 U.S.C. §§ 1711-1715.

17 1.4 “Class Counsel” means Craig M. Nicholas, Alex Tomasevic, Shaun  
18 Markley and Jordan Belcastro of Nicholas & Tomasevic, LLP.

19 1.5 “Class Data” means a confidential spreadsheet that includes, for each  
20 Settlement Class Member, their name, last known address, social security number,  
21 status as a Current IBP, and number of Eligible Workweeks and Eligible Pay  
22 Periods or data sufficient for the Settlement Administrator to determine Eligible  
23 Workweeks and Eligible Pay Periods. The Class Data shall be based on  
24 Defendants’ settlement statements and provided in a format acceptable to the  
25 Settlement Administrator.

26 1.6 “Class Settlement Period” means the time period from June 27, 2018  
27 through and including February 28, 2026.

1           1.7    “Class Representatives” or “Plaintiffs” means Plaintiffs Tlaloc  
2 Munoz, Miguel Ruiz, Edgar Corona, and Steven Snavelly.

3           1.8    “Class Representative’s Released Claims” means any and all claims,  
4 obligations, demands, actions, rights, causes of action, and liabilities against the  
5 Released Parties, of whatever kind and nature, character, and description, whether  
6 in law or equity, whether sounding in tort, contract, federal, state and/or local law,  
7 statute, ordinance, regulation, common law, or other source of law or contract,  
8 whether known or unknown, and whether anticipated or unanticipated, including  
9 all unknown claims covered by California Civil Code Section 1542, by the Class  
10 Representative, arising at any time up to and including the date on which the  
11 Court enters the Order of Final Approval, for any type of relief, including without  
12 limitation claims for wages, premium and other forms of pay,  
13 unpaid/unreimbursed costs, penalties (including waiting time penalties), general  
14 damages, compensatory damages, liquidated damages, punitive damages, interest,  
15 attorneys’ fees, litigation and other costs, expenses, restitution, and equitable and  
16 declaratory relief. The Class Representative’s Released Claims also include, but  
17 are not limited to, the Released Claims as well as any other claims under any  
18 provision of the Fair Labor Standards Act (“FLSA”), the California Labor Code,  
19 any applicable California Industrial Welfare Commission Wage Orders, any city  
20 or county Living Wage Ordinances, and claims under state or federal  
21 discrimination statutes, including, without limitation, the California Government  
22 Code; the Unruh Civil Rights Act, California Civil Code; the California  
23 Constitution; the California Business and Professions Code, including but not  
24 limited to Sections 17200 *et seq.*; the United States Constitution; the Age  
25 Discrimination in Employment Act (“ADEA”) and the Older Workers Benefit  
26 Protection Act; the Uniformed Services Employment and Reemployment Rights  
27 Act, Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*; the Civil  
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1 Rights Act of 1991; the Family and Medical Leave Act, to the extent not  
2 prohibited by law; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*;  
3 the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq.*;  
4 the Equal Pay Act; the Fair Credit Reporting Act; the Employee Retirement  
5 Income Security Act of 1974; the Worker Adjustment and Retraining Notification  
6 Act; the Sarbanes-Oxley Act of 2002; the California Family Rights Act; and all of  
7 their implementing regulations and interpretive guidelines and all other federal,  
8 state or local laws or ordinances or common law theories; any and all claims for  
9 monetary recovery and personal or individual relief, except as prohibited by law;  
10 and any premiums, penalties, interest, punitive damages, costs, attorneys' fees,  
11 injunctive relief, declaratory relief, or accounting based on any of the foregoing  
12 claims. For the avoidance of doubt, this is a complete and general release to the  
13 maximum extent by law. Notwithstanding the foregoing, the release of the Class  
14 Representative's Released Claims does not include any claim or right that is not  
15 waivable as a matter of law.

16 1.9 "Current IBP" means individuals that, as of the date of preliminary  
17 approval, have a current, operative contract with either Defendant or one of their  
18 predecessors, subsidiaries, or affiliates for sales in sales areas in California or who  
19 were purchasing product in California or selling to customers in California.

20 1.10 "Court" means the United States District Court for the Southern  
21 District of California.

22 1.11 "Defendants' Counsel" means Michael Puma and Sarah Zenewicz of  
23 Morgan, Lewis & Bockius LLP.

24 1.12 "Distribution Agreements" mean the contract between IBPs and  
25 either Defendant or one of their predecessors, subsidiaries, or affiliates governing  
26 sales or sales areas or sales centers located in California.

1           1.13 “Effective Date” means the latest of: (i) provided that no appeal from  
2 the Final Approval Order is filed, the day after the deadline for any appeals  
3 expires; (ii) if an appeal from the Final Approval Order is filed, and the appeal is  
4 finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last  
5 date for filing a request for further review of the Court of Appeal’s decision  
6 passes, and no further review is requested; and (iii) if an appeal of the Final  
7 Approval Order is filed and there is a final disposition by ruling, dismissal, denial,  
8 or otherwise by the Court of Appeal, and review of the Court of Appeal’s decision  
9 is requested, the day after the request for review is denied with prejudice and/or  
10 no further review of the Final Approval Order can be requested.

11           1.14 “Eligible Workweeks” shall mean the workweeks that each Class  
12 Member contracted either Defendant or one of their predecessors, subsidiaries, or  
13 affiliates in California during the Class Settlement Period.

14           1.15 “Eligible Pay Periods” shall mean the workweeks that each PAGA  
15 Member contracted with either Defendant or one of their predecessors,  
16 subsidiaries, or affiliates in California during the PAGA Settlement Period.

17           1.16 “Enhancement Award” means the amount approved by the Court to  
18 be paid to the Class Representatives, in recognition of their efforts in coming  
19 forward as Class Representatives and as consideration for a full, general, and  
20 comprehensive release by each of the Class Representative’s Released Claims,  
21 which shall be in addition to their portion of the Net Settlement Amount.

22           1.17 “Final Approval Date” means the date on which the Court enters the  
23 Order of Final Approval.

24           1.18 “Final Approval Hearing” means a hearing set by the Court, to take  
25 place on a date established by the Court, for the purpose of (i) determining the  
26 fairness, adequacy, and reasonableness of the Settlement pursuant to Federal Rule  
27 23; (ii) determining the amount of the award of attorneys’ fees and costs to Class  
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1 Counsel; (iii) determining the amounts of the Enhancement Award to the Class  
2 Representatives; and (iv) entering the Judgment.

3 1.19 “Gross Settlement Amount” shall mean the maximum amount that  
4 Defendants will pay in settlement of this matter. The Gross Settlement Amount  
5 includes all awards of attorneys’ fees and reasonable documented litigation costs  
6 to Class Counsel, Enhancement Award, reasonable Settlement Administration  
7 Costs, the Reserve Fund, the PAGA Payment (paid to the PAGA Members and  
8 the LWDA), all fees, expenses, and costs associated with providing the CAFA  
9 Notice, and payments to the Participating Class Members.

10 1.20 “Independent Business Partner” or “IBP” means individuals that  
11 have contracted or currently contract with either Defendant or one of their  
12 predecessors, subsidiaries, or affiliates for sales in sales areas in California or who  
13 were purchasing product in California or selling to customers in California at any  
14 time during the Class Settlement Period.

15 1.21 “Individual PAGA Payment” means the individual amounts paid  
16 from the PAGA Payment to the individual PAGA Members for settlement of  
17 claims for civil penalties under PAGA.

18 1.22 “Individual Settlement Payment” means the settlement amount due to  
19 each Participating Class Member from the Net Settlement Amount.

20 1.23 “LWDA” means the California Labor and Workforce Development  
21 Agency.

22 1.24 “LWDA PAGA Payment” means the payment to the LWDA from  
23 the PAGA Payment for settlement of claims for civil penalties under PAGA.

24 1.25 “Net Settlement Amount” is the portion of the Gross Settlement  
25 Amount available for distribution to the Participating Class Members, which shall  
26 equal the Gross Settlement Amount less PAGA Payment, Reserve Fund, Court-  
27 approved attorneys’ fees and costs award to Class Counsel, all fees, expenses, and  
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1 costs associated with providing the CAFA Notice, Settlement Administration  
2 Costs, and the Enhancement Award.

3 1.26 “Notice of Settlement” means the document provided to Class  
4 Members to notify them of the settlement, a copy of which is attached hereto as  
5 **Exhibit 2.**

6 1.27 “PAGA” means the California Labor Code’s Private Attorneys  
7 General Act.

8 1.28 “PAGA Members” means Class Members who contracted with either  
9 Defendant or one of their predecessors, subsidiaries, or affiliates for sales in sales  
10 areas in California or who were purchasing product in California or selling to  
11 customers in for at least one Eligible Pay Period during the PAGA Settlement  
12 Period.

13 1.29 “PAGA Payment” means the payment in settlement of all claims for  
14 PAGA penalties, 75% of which will be distributed as the LWDA PAGA Payment  
15 and 25% of which will be distributed as Individual PAGA Payments to the PAGA  
16 Members.

17 1.30 “PAGA Settlement Period” means the period of May 18, 2021  
18 through and including February 28, 2026.

19 1.31 “Participating Class Members” means the Class Members who do  
20 not timely request to be excluded from the class portion of the settlement. No  
21 claim form is required for a Class Member to become a Participating Class  
22 Member.

23 1.32 “Preliminary Approval Date” means the date the Court enters the  
24 Order preliminary approving the Stipulation of Settlement and setting the Final  
25 Approval Hearing.

1           1.33 “Qualified Settlement Fund” means the Qualified Settlement Fund  
2 (“QSF”) created under Internal Revenue Code Section 468B, to be overseen by  
3 the Settlement Administrator.

4           1.34 “Released Class Claims” means all federal, state and local law  
5 claims, rights, demands, liabilities, penalties and causes of action asserted against  
6 the Released Parties in the Action and/or that could have been asserted in the  
7 Action based upon the facts set forth in the Action and/or the LWDA letters (as  
8 amended), including, but not limited to, causes of action for or based on: (1)  
9 failure to reimburse business expenses (Lab. Code, § 2802); (2) unlawful  
10 deductions from wages (Lab. Code §§ 221-223); (3) failure to provide accurate  
11 wage statements (Lab. Code § 226); (4) failure to pay overtime (Lab. Code §  
12 510); (5) failure to provide meal breaks (Lab. Code § 226.7); (6) failure to provide  
13 rest breaks (Lab. Code § 510); (7) waiting time penalties (Lab. Code §§ 201-203);  
14 (8) failure to pay sick leave (Lab. Code § 246 et seq.); and (9) unfair business  
15 practices (Bus. Prof. Code § 17200 et seq.) based on the same alleged Labor Code  
16 violations; as well as all claims under the Fair Labor Standards Act (“FLSA”) and  
17 all state or local wage and hour and wage payment/notice laws (such as claims for  
18 overtime, straight-time wages, minimum wage, meal and rest breaks, wage  
19 statements, wage notices or statements, expense reimbursement, allegedly  
20 unlawful deductions, and any other wage payment or wage notice claims), claims  
21 for other unpaid compensation, bonuses, benefits, or business expenses, and  
22 related common law theories (such as claims for breach of contract, breach of  
23 promise, real or implied, fraud, misrepresentation and unjust enrichment) under  
24 the laws of any jurisdiction where a given Participating Class Member lived or  
25 worked during any portion of the Class Settlement Period.

26           1.35 “Released PAGA Claims” means all claims for civil penalties under  
27 PAGA against the Released Parties asserted in the Action and/or the LWDA letter  
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(as amended) and/or that were asserted or could have been asserted in the Action based upon the facts set forth in the Action and/or the LWDA letter (as amended), including, but not limited to, claims for violations of the California Labor Code §§ 201, 202, 203, 210, 216, 221, 223, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 246, 246.5, 432.5, 450, 510, 512, 558, 1174, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 1199, and 2802 and the applicable Industrial Welfare Commission Wage Order.

1.36 “Released Parties” means all named Defendants in the Action and all of their affiliated parties and entities, including all past and present affiliates, parents, divisions, and subsidiaries, and each of their predecessors, successors, and assigns, and for all such entities each of their respective past and present owners, members, shareholders, insurers, benefit plans, plan administrators, counsel, directors, officers, employees, partners, members and representatives.

1.37 “Response Deadline” means forty-five (45) calendar days after the Settlement Administrator mails the Notice of Settlement to Class Members. It shall be the last date on which Class Members may: (a) postmark any Opt-Out Request from the class portion of the Settlement, (b) postmark any written objection to the Settlement, and (c) postmark any Eligible Workweek or Eligible Pay Period Dispute. The Response Deadline for Class Members to whom the Notice of Settlement is remailed after having been returned as undeliverable to the Settlement Administrator shall be fifty-five (55) calendar days after the Settlement Administrator’s initial mailing of the Notice of Settlement to Class Members, or fourteen (14) calendar days after the re-mailing, whichever is later.

1.38 “Reserve Fund” means the sum of Two Hundred Thousand Dollars (\$200,000.00), which shall be allocated from the Gross Settlement Amount and set aside during the 180-day cash checking period to make Individual Settlement Payments to Class Members, if any, who were not identified in the Class Data before the Effective Date.

1.39 “Residue” refers to the unclaimed funds in the Reserve Fund following the expiration of the 180-day check cashing period.

1.40 “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement in accordance with the Settlement Administrator’s responsibilities outlined in this Stipulation.

1.41 “Settlement Administrator” means CPT Group, who shall be responsible for the administration of the Settlement, including all tax reporting, distribution of any amounts owed under this Settlement, and matters necessarily related thereto, pursuant to the terms of this Settlement, and subject to appointment by the Court.

1.42 “Settlement Class” or “Class Members” means all current and former IBPs who contracted with either Defendant or one of their predecessors, subsidiaries, or affiliates for sales in sales areas in California or who were purchasing product in California or selling to customers in California at any time during the Class Settlement Period.

## 2. **RECITALS**

### 2.1 **Background and Procedural History**

2.1.1 On May 8, 2022, Plaintiffs Corona, Munoz and Ruiz submitted a notice letter to the LWDA under PAGA alleging violations of the California Labor Code on behalf of Defendants’ Independent Business Partners.

2.1.2 On July 27, 2022, Plaintiffs Corona, Munoz and Ruiz filed a Class Action Complaint in San Diego County Superior Court alleging causes of action for (1) violation of California Labor Code §2802 (failure to reimburse business expenses); (2) violation of California Labor Code §§ 221-223 (unlawful deductions from wages); (3) violation of California Labor Code § 226 (failure to provide accurate wage statements) (4) violation of California Labor Code § 510

1 (failure to pay overtime); (5) violation of California Labor Code § 226.7 (failure to  
2 provide meal periods or rest breaks); (6) violation of California Business &  
3 Professions Code §§ 17200, et seq.; and (7) violation of California Labor Code §  
4 2698, et seq. (PAGA).

5 2.1.3 On August 22, 2022, Defendants removed the Action to the  
6 Southern District of California.

7 2.1.4 On October 7, 2022, Defendants moved to compel individual  
8 arbitration and the Court denied that motion on September 13, 2023.

9 2.1.5 On September 28, 2023, Defendants appealed the order denying  
10 the arbitration motion and the Ninth Circuit affirmed on September 11, 2024.

11 2.1.6 On April 16, 2025, Plaintiffs submitted an amended notice letter  
12 to the LWDA under PAGA, to provide notice on behalf of Steven Snavelly.

13 2.1.7 On May 2, 2025, Plaintiffs filed their First Amended Complaint,  
14 adding Steven Snavelly as a Plaintiff.

15 2.1.8 On May 27, 2025, Defendants moved for summary judgment as  
16 to Plaintiffs Munoz, Ruiz, and Corona's claims and the Court denied that motion on  
17 October 15, 2025.

18 2.1.9 Following extensive formal discovery, the Parties mediated the  
19 Action on November 5, 2025 with experienced mediator Michael Russell, and after  
20 fully briefing Plaintiffs' Motion for Class Certification but prior to any Order from  
21 the Court, the Parties reached a settlement in principle on December 22, 2025.

22 2.1.10 The Parties executed a Memorandum of Understanding on  
23 January 14, 2026.

24 2.1.11 On January 23, 2026, as a condition of this settlement as set  
25 forth in the Memorandum of Understanding, Plaintiffs submitted a second amended  
26 notice letter to the LWDA under PAGA, to add a claim for PAGA penalties based  
27 on the alleged violation of California's sick leave requirements.

1                   2.1.12 On January 26, 2026, as a condition of this settlement as set  
2 forth in the Memorandum of Understanding, Plaintiffs filed their Second Amended  
3 Complaint adding claims for violation of California Labor Code § 245-259 (failure  
4 to pay sick leave).

## 5                   2.2     **Benefits of Settlement**

6                   2.2.1 Based on their own independent investigations and evaluations,  
7 Class Counsel is of the opinion that the Settlement with Defendants for the  
8 consideration and terms set forth herein is fair, reasonable, and adequate in light of  
9 all known facts and circumstances, and is in the best interests of the Settlement  
10 Class. Class Counsel is also of the opinion that the total consideration and payment  
11 set forth in this Stipulation is adequate in light of the uncertainties surrounding the  
12 risk of further litigation, the possibility of losing class certification, any certified  
13 class later being decertified, the possibility that the PAGA claim could be deemed  
14 unmanageable, and the defenses that Defendants have asserted and/or could assert  
15 as to the substantive merits of the claims.

16                  2.2.2 Class Counsel has weighed the monetary benefit under the  
17 Settlement to the Settlement Class against the expenses and length of continued  
18 proceedings that would be necessary to prosecute the Action against Defendants  
19 through class certification, manageability motions, summary judgment, trial and  
20 possible appeals. Class Counsel also took into account the uncertain outcome and  
21 risk of any litigation, especially in complex actions such as class and representative  
22 actions, as well as the difficulties and delay inherent in such litigation. As a result,  
23 Class Counsel has determined that the settlement set forth in this Stipulation is in  
24 the best interests of the Settlement Class.

25                  2.2.3 Defendants and the Released Parties specifically and generally  
26 deny any and all liability or wrongdoing of any sort with regard to the claims  
27 alleged, make no concessions or admissions of liability of any sort, and contend  
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1 that for any purpose other than Settlement, the Action is not appropriate for class or  
2 representative action treatment. Nonetheless, Defendants have concluded that  
3 further conduct of the Action would be protracted, distracting, and expensive, and  
4 that it is desirable that the Action be fully and finally settled in the manner and  
5 upon the terms and conditions set forth in this Stipulation. Defendants also took  
6 into account the uncertainty and risks inherent in any litigation. Defendants have  
7 therefore determined that it is desirable and beneficial to it to settle the Action in  
8 the manner and upon the terms and conditions set forth in this Stipulation.

9           2.2.4 Neither this Stipulation, nor any document referred to in it, nor  
10 any actions taken pursuant to this Stipulation, is or should be construed as an  
11 admission by Defendants or any Released Parties of any fault, wrongdoing, or  
12 liability whatsoever. Nor should the Stipulation of Settlement be construed as an  
13 admission that Plaintiffs could meet any of the class action requirements,  
14 particularly given that a Court need not assess the manageability requirement of  
15 Federal Rule 23 for settlement purposes, or that any PAGA claim would be  
16 manageable. There has been no final determination by any court as to the merits of  
17 the claims asserted by Plaintiffs against Defendants, as to whether a class action  
18 should be certified, or that any PAGA claim is manageable.

### 19       3.       **SETTLEMENT TERMS**

20           3.1       **Amendment of the Pleadings for Settlement.** In connection with  
21 approval of this Settlement, the Parties stipulated to the filing of a Second  
22 Amended Complaint that Plaintiffs filed on January 26, 2026. In the event that  
23 the Settlement is not approved or for whatever reason does not become effective,  
24 the Second Amended Complaint will be stricken and the First Amended  
25 Complaint will be the operative pleading.

26           3.2       **Conditional Class Certification.** The Parties stipulate, for  
27 settlement purposes only, to the certification by the Court of the Settlement Class.  
28

1 If, for any reason, the Settlement is not approved, the stipulation to certification  
2 will be void. Should the Settlement not become final, for whatever reason, the  
3 fact that the Parties were willing to and/or did stipulate to class certification shall  
4 have no bearing on, and shall not be admissible in connection with and shall have  
5 no bearing on whether a class should be certified or not decertified or otherwise in  
6 a non-settlement context in the Action or a PAGA claim could be manageable in  
7 the Action or any other action.

8       **3.3 Gross Settlement Amount.** Defendants shall pay a non-  
9 reversionary amount of and not to exceed Seventeen Million Five Hundred  
10 Thousand Dollars and Zero Cents (\$17,500,000.00) as the Gross Settlement  
11 Amount to resolve the Action on a class and representative basis. The Gross  
12 Settlement Amount shall be used to pay, as approved by the Court, Class  
13 Counsel's attorneys' fees and costs, Enhancement Awards, Settlement  
14 Administration Costs, the PAGA Payment to the LWDA and the PAGA  
15 Members, the Reserve Fund, all fees, expenses, and costs associated with  
16 providing the CAFA Notice, and the Individual Settlement Payments to the  
17 Participating Class Members.

18       **3.4 Modification of Gross Settlement Amount of Class Period.** There  
19 were approximately 290 Class members, including the named Plaintiffs, as of  
20 November 5, 2025. Defendants will update the final class list for the Settlement  
21 Administrator prior to preliminary approval, but the Gross Settlement Amount  
22 will remain unchanged assuming the numbers are not more than 5% greater than  
23 Defendants' approximate figures, otherwise the parties will confer in good faith  
24 on the potential for any adjustment to the Gross Settlement Amount or release  
25 period and will involve the mediator as necessary.  
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27  
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### 3.5 Allocation of Gross Settlement Amount

3.5.1 Class Representative Enhancement Awards: The Class Representatives' Enhancement Awards, which are in addition to the Class Representatives' Individual Settlement Payment from the Net Settlement Amount and Individual PAGA Payments, will, subject to Court approval, be paid out of the Gross Settlement Amount and will not exceed Sixty Thousand Dollars and Zero Cents (\$60,000.00), representing Fifteen Thousand Dollars and Zero Cents (\$15,000.00) each for Munoz, Ruiz, Corona, and Snavelly, and will be consideration for their efforts in the Action and the full general release of all of their individual claims to the maximum extent allowable by law beyond the Released Class Claims and Released PAGA Claims. Any amount of the Class Representatives' Enhancement Awards that is not awarded by the Court shall be added to the Net Settlement Amount.

3.5.2 Attorneys' Fees and Costs: Class Counsel may apply to the Court for an award of reasonable attorneys' fees not to exceed one third of the Gross Settlement Amount, Five Million Eight Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$5,833,333.33), to be paid out of the Gross Settlement Amount. Class Counsel may apply to the Court for an award of reasonable costs incurred litigating this matter. Class Counsel shall submit a declaration to the Court detailing the fees and costs incurred and/or expected to be incurred in prosecuting the Action through final approval. Defendants reserve the right to challenge Class Counsel's requests for fees and costs. The Settlement Administrator shall issue IRS Forms 1099 to Class Counsel for the payments made pursuant to this section. Class Counsel shall be solely and legally responsible for paying any and all applicable taxes on the fees and costs award. Any amount of Class Counsel's requested fees and costs that is not awarded by the Court shall be added to the Net Settlement Amount. Neither Class Counsel

1 nor any other attorneys acting for, or purporting to act for, the Settlement Class,  
2 Class Members, or Plaintiffs, may recover or seek to recover any amounts for fees,  
3 costs, or disbursements from the Defendants or the Released Parties in connection  
4 with this Settlement except as expressly provided herein.

5           3.5.3 Settlement Administrator Costs: The Settlement Administration  
6 Costs incurred by the Settlement Administrator as a result of the procedures and  
7 processes expressly required by this Stipulation shall be paid out of the Gross  
8 Settlement Amount and are estimated not to exceed Sixteen Thousand dollars  
9 (\$16,000). Under no circumstances will Defendants be required to contribute  
10 additional funds, above and in addition to the Gross Settlement Amount, to cover  
11 any unexpected Settlement Administration Costs. The Settlement Administration  
12 Costs shall include: all costs of administering the Settlement, including all tax  
13 document preparation, custodial fees, and accounting fees incurred by the  
14 Settlement Administrator; all costs and fees associated with establishing and  
15 maintaining a Qualified Settlement Fund; all costs and fees associated with  
16 preparing, issuing and mailing the Notice of Settlement and other correspondence  
17 to Class Members; all costs and fees associated with communicating with Class  
18 Members, Class Counsel, and Defendants' Counsel; all costs and fees associated  
19 with computing, processing, reviewing, and paying the payments due under this  
20 Stipulation, and resolving disputed claims; tracking the execution of Arbitration  
21 Agreements; and issuing tax forms relating to payments made under the Settlement;  
22 all costs and fees associated with preparing any tax returns and any other filings  
23 required by any governmental taxing authority or agency; all costs and fees  
24 associated with preparing any other notices, reports, or filings to be prepared in the  
25 course of administering payments due under this Stipulation; and any other costs  
26 and fees incurred and/or charged by the Settlement Administrator in connection  
27 with the execution of its duties under this Stipulation. Any amount of Settlement  
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Administration Costs that is not awarded by the Court shall be added to the Net Settlement Amount.

3.5.4 Individual Settlement Payments to Participating Class Members:

Each Participating Class Member will be entitled to receive an Individual Settlement Payment, which will be paid out of the Net Settlement Amount. The amount of each Individual Settlement Payment will consist of a minimum payment (“Minimum Payment”) and a pro rata share of the settlement based on Eligible Workweeks (“Pro Rata Payment”). The Minimum Payment shall be calculated as fifteen percent (15%) of the Net Settlement Amount divided equally among all Participating Class Members. The Pro Rata Payment shall be calculated by taking the remaining eighty-five percent (85%) of the Net Settlement Amount and dividing it among the Participating Class Members on a pro rata basis based on the Eligible Workweeks each Participating Class Member contracted with Defendants during the Class Settlement Period, using the following formula: [(individual Participating Class Member’s Eligible Workweeks ÷ all Participating Class Members’ Eligible Workweeks) × Eighty-five percent (85%) of the Net Settlement Amount]. The Individual Settlement Payment calculations will not be adjusted if any Class Members omitted from the Class Data receive payment from the Reserve Fund pursuant to Section 4.11. There is no need for a Participating Class Member to submit a claim form to be eligible for and to receive an Individual Settlement Payment. Participating Class Members that are Current IBPs must execute the Arbitration Agreement within the Response Deadline for the Individual Settlement Payment to be released by the Settlement Administrator, unless Defendants in their discretion agree to extend the time for a Current IBP to execute the Arbitration Agreement. The Parties recognize that the Individual Settlement Payments to be paid to Participating Class Members reflect settlement of a dispute over claimed wages, interest, penalties, and other alleged damages.

1                   3.5.5 PAGA Payment: A total amount of Three Hundred Fifty  
2 Thousand Dollars and Zero Cents (\$350,000.00) from the Gross Settlement  
3 Amount will be allocated as the PAGA Payment to be paid in settlement of the  
4 claim for penalties under PAGA, seventy-five percent (75%) of this amount  
5 (\$262,500) will be the LWDA PAGA Payment to paid to the LWDA and the  
6 remaining twenty-five (25%) of this amount (\$87,500) shall be distributed to the  
7 PAGA Members as Individual PAGA Payments. Any portion of the PAGA  
8 Payment not approved by the Court shall be added to the Net Settlement Amount  
9 and any additional amount ordered by the Court shall be paid from the Gross  
10 Settlement Amount. The 25% of the PAGA Payment to be distributed to the  
11 PAGA Members as Individual PAGA Payments and shall be distributed based on a  
12 pro rata share based on the number of Eligible Pay Periods each PAGA Member  
13 contracted with the Released Parties during the PAGA Settlement Period, using the  
14 following formula: (individual PAGA Member's Eligible Pay Periods ÷ all PAGA  
15 Members' Eligible Pay Periods). The Individual PAGA Payment calculations will  
16 not be adjusted if any PAGA Members omitted from the Class Data receive  
17 payment from the Reserve Fund pursuant to Section 4.11.

18                   3.5.6 Reserve Fund: The Settlement Administrator shall set aside  
19 Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) as a Reserve Fund  
20 to be held and not immediately payable to the Participating Class Members, and  
21 those funds shall be allocated to any individuals who the Parties agree were  
22 inadvertently excluded from the Class Data but otherwise qualify as Class  
23 Members.

### 24                   3.6     **Taxation**

25                   3.6.1 Tax Treatment of Individual Settlement Payments. All  
26 Individual Settlement Payments to Participating Class Members shall be allocated  
27 as 100% non-employee compensation and penalties, for which a 1099 will be  
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1 issued if required by law. Participating Class Members will be responsible for  
2 paying all other taxes due on their Individual Settlement Payments. Other than as  
3 set forth above, the Settlement Administrator will not make any deductions,  
4 withholdings, or additional payments, including without limitation, medical or other  
5 insurance payments or premiums, employee 401(k) contributions or matching  
6 employer contributions, wage garnishments to the extent permitted by law, or  
7 charity withholdings, from or with respect to the Individual Settlement Payments,  
8 and entry of the Order of Final Approval by the Court shall be deemed authority not  
9 to make any such deductions, withholdings, or additional payments.

10           3.6.2 Tax Treatment of Individual PAGA Payments: All Individual  
11 PAGA Payments shall be allocated as 100% penalties, for which a 1099 will be  
12 issued if required by law. PAGA Members will be responsible for paying all taxes  
13 due on their Individual PAGA Payments. The Settlement Administrator will not  
14 make any deductions, withholdings, or additional payments, including without  
15 limitation, medical or other insurance payments or premiums, employee 401(k)  
16 contributions or matching employer contributions, wage garnishments to the extent  
17 permitted by law, or charity withholdings, from or with respect to the Individual  
18 PAGA Payments.

19           3.6.3 Circular 230 Disclaimer: Each Party to this Stipulation (for  
20 purposes of this section, the “acknowledging party” and each Party to this  
21 Stipulation other than the acknowledging party, an “other party”) acknowledges and  
22 agrees that (1) no provision of this Stipulation, and no written communication or  
23 disclosure between or among the Parties or their attorneys and other advisers, is or  
24 was intended to be, nor shall any such communication or disclosure constitute or be  
25 construed or be relied upon as, tax advice within the meaning of United States  
26 Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the  
27 acknowledging party (a) has relied exclusively upon his, her, or its own,  
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1 independent legal and tax counsel for advice (including tax advice) in connection  
2 with this Stipulation, (b) has not entered into this Stipulation based upon the  
3 recommendation of any other party or any attorney or advisor to any other party,  
4 and (c) is not entitled to rely upon any communication or disclosure by any attorney  
5 or adviser to any other party to avoid any tax penalty that may be imposed on the  
6 acknowledging party; and (3) no attorney or adviser to any other party has imposed  
7 any limitation that protects the confidentiality of any such attorney's or adviser's  
8 tax strategies (regardless of whether such limitation is legally binding) upon  
9 disclosure by the acknowledging party of the tax treatment or tax structure of any  
10 transaction, including any transaction contemplated by this Stipulation.

### 11 3.7 Releases

12 3.7.1 Class Representatives' Release. Upon the Effective Date, the  
13 Class Representatives shall be deemed to have fully, finally, and forever released  
14 the Released Parties from the Class Representatives' Released Claims and Released  
15 Class Claims. Even if the Class Representatives discover facts in addition to or  
16 different from those that the Class Representatives now know or believe to be true  
17 with respect to the subject matter of the above released claims, those claims will  
18 remain released and forever barred. Thus, the Class Representatives expressly  
19 waive and relinquish the provisions, rights and benefits of section 1542 of the  
20 California Civil Code, which reads:

21 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**  
22 **THAT THE CREDITOR OR RELEASING PARTY DOES NOT**  
23 **KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT**  
24 **THE TIME OF EXECUTING THE RELEASE AND THAT, IF**  
25 **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY**  
26 **AFFECTED HIS OR HER SETTLEMENT WITH THE**  
27 **DEBTOR OR RELEASED PARTY.**

1 Notwithstanding the foregoing, the Class Representatives do not waive or release  
2 any claim that cannot be waived or released by a court-approved private agreement.  
3 Further, nothing in this Stipulation shall prevent the Class Representatives from  
4 filing a charge or complaint with, or from participating in, an investigation or  
5 proceeding conducted by the SEC, OSHA, EEOC, CRD, NLRB or any other  
6 federal, state or local agency charged with the enforcement of any employment or  
7 other applicable laws. The Class Representatives, however, understand that by  
8 signing this Stipulation, they waive the right to recover any damages or to receive  
9 other relief in any claim or suit brought by or through the EEOC, the CRD or any  
10 other state or local deferral agency on their behalf to the fullest extent permitted by  
11 law, but expressly excluding any monetary award or other relief available from the  
12 SEC/OSHA, including an SEC/OSHA whistleblower award, or other awards or  
13 relief that may not lawfully be waived.

14           3.7.2 Participating Class Member Release. As of the Effective Date,  
15 all Participating Class Members fully and finally release the Released Parties from  
16 the Released Class Claims that arose during the Class Settlement Period.

17           3.7.3 PAGA Member Release. As of the Effective Date, Plaintiffs, as  
18 representatives of the State of California and on behalf of the LWDA and as  
19 representatives of the PAGA Members, fully and finally release the Released  
20 Parties from the Released PAGA Claims for the PAGA Settlement Period.

#### 21       **4. APPROVAL OF SETTLEMENT, NOTICE TO CLASS AND** 22 **ADMINISTRATION**

##### 23           **4.1 Preliminary Approval**

24           4.1.1 Class Counsel shall submit to the Court this Stipulation of  
25 Settlement and exhibits thereto for preliminary approval by the Court. Class  
26 Counsel will prepare and file the motion for preliminary approval and supporting  
27 papers for the Court, subject to Defendants' prior review and comment. Plaintiffs  
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1 will provide the motion for preliminary approval to Defendants for its review and  
2 comment at least seven (7) calendar days before filing.

3 4.1.2 Pursuant to California Labor Code § 2699(l), concurrently with  
4 the filing of the motion for preliminary approval, Plaintiffs will provide notice of  
5 the proposed Settlement to the LWDA.

6 4.1.3 Within ten (10) days of Plaintiffs' filing of the Motion for  
7 Preliminary Approval, Defendants will prepare and serve the CAFA Notice on the  
8 Attorney General of the United States, the Secretary of the Department of Labor,  
9 and the attorneys general of all states in which Class Members reside, as specified  
10 by 28 U.S.C. § 1715.

11 4.1.4 The Court's preliminary approval of this Settlement shall be  
12 embodied in an order certifying the Class for settlement purposes only,  
13 preliminarily approving the Settlement and providing for Notice of Settlement to be  
14 mailed to the Class Members in materially the same format attached hereto as  
15 Exhibit 2, and setting the date for the Final Approval Hearing. The Notice of  
16 Settlement shall advise Class Members of their options, which include filing an  
17 Opt-Out Request to the class settlement; filing an objection to the Settlement and  
18 receiving an Individual Settlement Payment and an Individual PAGA Payment (if  
19 applicable); or taking no action and receiving an Individual Settlement Payment and  
20 an Individual PAGA Payment (if applicable).

## 21 4.2 Notice

22 4.2.1 Delivery of Class Data: No later than fourteen (14) calendar  
23 days after the Preliminary Approval Date, Defendants shall provide the Class Data  
24 to the Settlement Administrator. The Settlement Administrator shall maintain the  
25 Class Data, and all data contained within the Class Data, as private and confidential  
26 and shall not disclose such data to any persons or entities, including Class  
27 Representatives or Class Counsel, unless otherwise required by law. The  
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1 information in the Class Data is being supplied solely for purposes of the  
2 administration of the settlement and cannot be used by the Settlement  
3 Administrator or any agent or representative of the Settlement Administrator for  
4 any other purpose. Upon receipt of the Class Data, the Settlement Administrator  
5 shall check with the U.S. Postal Service National Change of Address Database and  
6 update any addresses for the Class Members.

7           4.2.2 Notice By First-Class Mail. Within fourteen (14) calendar days  
8 of the receipt of the Class Data, the Settlement Administrator will send via United  
9 States first class mail and email the Notice of Settlement to the Class Members and  
10 Court-approved Arbitration Agreements to the Class Members that are Current  
11 IBPs in both English and Spanish. If any Notice of Settlement is returned to the  
12 Settlement Administrator as undeliverable, the Settlement Administrator shall run a  
13 skip-trace using that Settlement Class Member's social security number within  
14 three (3) court days of receiving the undeliverable notice in an effort to attempt to  
15 ascertain the current address of the Settlement Class Member. If such an  
16 address(es) is ascertained, the Settlement Administrator shall re-mail the Notice of  
17 Settlement within three (3) court days of obtaining the skip-trace results. If  
18 alternative addresses are obtained for a Settlement Class Member, the Settlement  
19 Administrator shall send the Notice of Settlement to up to two (2) alternative  
20 addresses.

21           4.2.3 Settlement Administration Website. The Settlement  
22 Administrator will also create a website for the Settlement, which will allow Class  
23 Members to view the class notice (in generic form), this Stipulation, the Arbitration  
24 Agreements, and all papers filed by Class Counsel to obtain preliminary and final  
25 approval of the Settlement. Class Members that are Current IBPs may also  
26 electronically execute the Arbitration Agreement through the website. The  
27 Settlement Administrator will provide Class Counsel and Defendants' Counsel with  
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1 a preview of the proposed website and the URL must be approved by Defendants  
2 before it is registered. Class Counsel and Defendants' Counsel must approve the  
3 website before it goes live and also must approve any modifications to the website.  
4 The Settlement Administrator shall create a toll-free telephone number to field  
5 telephone inquiries from Class Members during the notice and settlement  
6 administration periods. The Settlement Administrator will be directed to take the  
7 website and call center down after the one hundred and eighty (180) calendar days  
8 check cashing period.

### 9 4.3 Opt-Out Requests

10 4.3.1 Class Members, except for the Class Representatives, will have  
11 until the Response Deadline within which to opt out of the class portion of this  
12 Settlement; however, exercising this option has no effect on the PAGA portion of  
13 this settlement. PAGA Members will be mailed an Individual PAGA Payment and  
14 be bound by the release of the Released PAGA Claims regardless of whether they  
15 opt out of the class settlement. Class Members who want to opt out must timely  
16 submit a signed and dated written request to be excluded from the class portion of  
17 the Settlement to the Settlement Administrator ("Opt-Out Request"). The Opt-Out  
18 Request must be postmarked on or before the Response Deadline, include the case  
19 name and number, the Settlement Class Member's name, address, and last four of  
20 their social security number, must be signed by the Settlement Class Member, and  
21 must reasonably communicate the Settlement Class Member's election to be  
22 excluded from the class Settlement.

23 4.3.2 Class Members who do not timely submit an executed Opt-Out  
24 Request shall be deemed a Participating Class Member and bound by this  
25 Settlement including the Released Class Claims and Released PAGA Claims.  
26 Current IBPs who are Participating Class Members are bound by this Settlement  
27 even if they do not sign the Arbitration Agreement. Class Members who timely  
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1 submit an executed Opt-Out Request will not be bound by the Released Class  
2 Claims and Released PAGA Claims and will not receive an Individual Settlement  
3 Payment. The Notice of Settlement shall advise Class Members of their ability to  
4 opt-out of the class portion of the Settlement and of the consequences thereof, and  
5 further inform them that they cannot opt out of the PAGA settlement. Neither the  
6 Parties nor any of their counsel will solicit any Class Member to submit an Opt-Out  
7 Request.

8 4.3.3 If a Class Member submits both an Opt-Out Request and an  
9 Objection within the Response Deadline, then the Opt-Out Request will be deemed  
10 valid and the Objection invalid and the individual will not be deemed a  
11 Participating Class Member.

12 4.4 **Objections.** Participating Class Members, except for the Class  
13 Representatives, may object to the Settlement in person at the Final Approval  
14 Hearing and/or in writing. Participating Class Members, except for the Class  
15 Representatives, will have until the Response Deadline to file a written objection  
16 to the Court. Only Class Members who have not filed an Opt-Out Request (i.e.,  
17 Participating Class Members) may object to the Settlement. The written objection  
18 should be mailed or filed with the Court, include the case number and name of  
19 this case, state the Participating Class Member's name and address and describe  
20 the reason(s) why the Participating Class Member objects to the Settlement and  
21 include or attach any documents upon which the objection is based. The Parties  
22 and their counsel agree that they will not solicit, encourage, counsel or advise any  
23 individual to object to the Settlement.

24 4.5 **Eligible Workweek and Eligible Pay Period Disputes.**  
25 Participating Class Members and PAGA Members may dispute their Eligible  
26 Workweeks and Eligible Pay Periods if they believe they contracted for more  
27 Eligible Workweeks or Eligible Pay Periods in the Class Settlement Period or  
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1 PAGA Settlement Period than stated on their Notice of Settlement. Participating  
2 Class Members and PAGA Members may do this by submitting information to  
3 the Settlement Administrator in writing no later than the Response Deadline. The  
4 Settlement Administrator will jointly work with Class Counsel and Defendants'  
5 Counsel to resolve the dispute in good faith. If the Parties cannot agree on the  
6 Eligible Workweeks or Eligible Pay Periods to be credited to that Participating  
7 Class Member or PAGA Member, the Court shall make the final decision based  
8 on the information presented by the Class Member or the PAGA Member and the  
9 Parties.

10 **4.6 Certification Reports by the Settlement Administrator.** The  
11 Settlement Administrator will, on a weekly basis during and for a reasonable  
12 period following distribution of the Notice of Settlement, provide updates to Class  
13 Counsel and Defendants' Counsel as to the number of persons in the Settlement  
14 Class who submitted (i) valid Opt-Out Requests; (ii) written Objections, (iii)  
15 Eligible Workweeks or Eligible Pay Period disputes; and (iv) executed Arbitration  
16 Agreements. Copies of all Opt-Out Requests, Objections, and disputes shall be  
17 provided to the Parties' counsel within two (2) court days of receipt by the  
18 Settlement Administrator. To the extent practicable, the weekly updates shall also  
19 provide updated data on the extent of Notices of Settlement that are returned  
20 undeliverable and any re-mailing efforts. The Settlement Administrator will  
21 provide the Parties with a declaration setting forth the results of the settlement  
22 administration no later than five (5) court days after the end of the Opt-Out  
23 period. The Settlement Administrator will provide a draft declaration for review  
24 and comment prior to finalizing it.

25 **4.7 Nullification of Settlement.** Defendants shall have the sole right to  
26 void and withdraw from this Settlement if at any time prior to the Final Approval  
27 Date: (a) five percent (5%) or more of all Class Members submit timely and valid  
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1 Opt-Out Requests; or (b) the Settlement is construed in such a fashion that  
2 Defendants would be required to pay more than the Gross Settlement Amount; or  
3 (c) the Court does not certify the Settlement Class, or does not certify a class  
4 releasing all of the Released Class Claims defined in this Stipulation, or does not  
5 approve the PAGA settlement including the release of the Released PAGA  
6 Claims, or otherwise makes an order inconsistent with any of the material terms  
7 (as determined by Defendant) of this Settlement; or (d) any pending litigation or  
8 litigation filed prior to the Final Approval Date in any way prevents the  
9 Settlement from being preliminarily or finally approved by the Court; or (e)  
10 Plaintiffs or Class Counsel materially breach the Settlement.

#### 11 4.8 Final Approval and Entry of Final Judgment

12 4.8.1 Prior to the Final Approval Hearing, Plaintiffs will move the  
13 Court for entry of an “Order of Final Approval” and associated entry of Judgment:  
14 (a) confirming certification of the Settlement Class for Settlement purposes only,  
15 (b) finding the Settlement fair, reasonable, adequate, and in the best interests of the  
16 Participating Class Members, (c) approving the PAGA Payment to the LWDA and  
17 the PAGA Members; (d) approving Class Counsel’s application for an award of  
18 attorneys’ fees and costs, (e) approving the Class Representative’s application for  
19 an Enhancement Award, (f) approving the payment of reasonable Settlement  
20 Administration Costs, and (g) releasing and barring any further Released Class  
21 Claims during the Class Settlement Period by Participating Class Members and  
22 Released PAGA Claims during the PAGA Settlement Period by or on behalf of the  
23 PAGA Members. Plaintiffs will provide the motion for final approval to  
24 Defendants for their review and comment at least seven (7) calendar days before  
25 filing. The Parties and their respective counsel shall make all reasonable efforts to  
26 secure entry of the Order of Final Approval. The proposed Order of Final Approval  
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1 and the associated proposed Judgment shall be filed with the Court with the motion  
2 for final approval, or as otherwise directed by the Court.

3 4.8.2 Class Representatives and Class Counsel shall be responsible for  
4 justifying the amount of the Enhancement Award, Individual Settlement Payment  
5 and Individual PAGA Payment formulas, and attorneys' fees and costs to the Court,  
6 and they agree to submit, as appropriate, the necessary materials to justify these  
7 payments. If the Court (or any appellate court) awards less than the amount  
8 requested for attorneys' fees and/or costs, or less than the amount requested for the  
9 Enhancement Award for the Class Representative, only the awarded amounts shall  
10 be paid and shall constitute satisfaction of the obligations of Defendants under this  
11 Stipulation.

12 4.8.3 If an appeal results in an order materially modifying, setting  
13 aside, or vacating any portion of the Stipulation, with the exception of any  
14 modification of the amount of attorneys' fees or costs to be paid to Class Counsel,  
15 or the amount of the Enhancement Award paid to the Class Representative, each  
16 party adversely impacted by the order shall have the right to treat such order as an  
17 event preventing Final Approval. To exercise this right, the party must inform the  
18 other party and the Settlement Administrator, in writing, of the exercise of this  
19 right, within ten (10) calendar days of receiving notice of any order modifying,  
20 setting aside, or vacating any portion of the Stipulation. Before any Party elects to  
21 exercise its right to treat such order as an event permanently preventing Final  
22 Approval, that Party must meet and confer in good faith with the other Party to  
23 determine if an agreement can be reached modifying this Settlement to the mutual  
24 satisfaction of the Parties.

25 4.8.4 If the Final Approval does not occur, or if this Stipulation is  
26 terminated or canceled pursuant to its terms, the Parties to this Stipulation shall be  
27 deemed to have reverted to their respective status as of the date and time  
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1 immediately prior to the execution of this Stipulation. In such an event, if the  
2 Stipulation is not approved by the Court substantially in the form agreed to by the  
3 Parties, or if the Settlement set forth in the Stipulation is terminated, cancelled,  
4 declared void, or fails to become effective in accordance with its terms, or if the  
5 Judgment does not become a Final Judgment, or if the Final Approval Date does  
6 not occur, this Stipulation (except for those provisions relating to non-admission,  
7 denial of liability set forth herein, and the confidentiality agreements entered into  
8 by the Parties) shall be deemed null and void, its terms and provisions shall have no  
9 further force and effect and shall not be used in this Action or in any other  
10 proceeding for any purpose, and any Judgment or order entered by the Court in  
11 accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro*  
12 *tunc*. Notwithstanding any other provision of this Stipulation, no order of the  
13 Court, or modification or reversal on appeal of any order of the Court, reducing the  
14 amount of any attorneys' fees or costs to be paid by Defendants to Class Counsel,  
15 or reducing the amount of the Enhancement Award paid to the Class  
16 Representative, shall constitute grounds for cancellation or termination of the  
17 Stipulation, or grounds for limiting any other provision of the Judgment.

#### 18           **4.9     Funding and Distribution of the Settlement Proceeds**

19           4.9.1 Within twenty one (21) calendar days after the Effective Date or  
20 within seven (7) calendar days of the Settlement Administrator providing all  
21 information necessary for Defendants to transfer funds to the Qualified Settlement  
22 Fund, whichever is later, Defendants shall pay the Gross Settlement Amount into  
23 the Qualified Settlement Fund set up, held, and controlled by the Settlement  
24 Administrator.

25           4.9.2 Within fifteen (15) calendar days after Defendants fund the  
26 Qualified Settlement Fund, the Settlement Administrator shall issue Individual  
27 Settlement Payments to Participating Class Members except for Current IBPs who  
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1 have not yet signed an Arbitration Agreement, Individual PAGA Payments to the  
2 PAGA Members, the LWDA PAGA Payment to the LWDA, the Court-approved  
3 attorneys' fees and costs to Class Counsel, and the court-approved Enhancement  
4 Award to the Class Representative.

5           4.9.3 The Settlement Administrator shall keep counsel for the Parties  
6 apprised of all distributions from the Qualified Settlement Account and upon  
7 completion of administration of that portion of the Settlement, the Settlement  
8 Administrator shall provide written certification, under penalty of perjury, of such  
9 completion to the Court and counsel for all Parties.

10           4.9.4 Upon completion of administration of the Settlement, the  
11 Settlement Administrator shall provide written certification, under penalty of  
12 perjury, of such completion to the Court, Class Counsel and Defendants' Counsel.

13           **4.10 Uncashed Checks.** After one hundred and eighty (180) calendar  
14 days of issuance, funds from undeposited Individual Settlement Payment and  
15 Individual PAGA Payment checks will be held by the Settlement Administrator.  
16 Even if a Participating Class Member or PAGA Member does not cash or deposit  
17 their or her settlement payment check(s) within one-hundred eighty (180)  
18 calendar days of issuance, the Stipulation of Settlement, including its release, will  
19 be binding on that Participating Class Member or PAGA Member. After the 180  
20 days has expired, the Settlement Administrator shall void the uncashed settlement  
21 checks and the amount of the uncashed settlement payments shall be transmitted  
22 to the State of California, to be held and disposed of by the Controller in  
23 accordance with California's Unclaimed Property Law for the benefit of the  
24 Participating Class Members and PAGA Members who did not cash the  
25 settlement checks until such time that they claim their property.

26           **4.11 Reserve Fund Distribution.** If, after the mailing of the Individual  
27 Settlement Payments, but before expiration of the 180-day check cashing period, a  
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1 current or former Independent Contractor of Defendants who was not identified in  
2 the Class Data provided to the Settlement Administrator, contacts the Parties,  
3 Class Counsel, Defendants' Counsel and/or the Settlement Administrator (or is  
4 otherwise identified by one of the Parties, Class Counsel, Defendants' Counsel  
5 and/or the Administration as a potential Class Member) with a claim or inquiry  
6 that they may be a Class Member and/or PAGA Member, then whomever receives  
7 this information shall immediately notify Counsel for the Parties and the  
8 Settlement Administrator, and provide the name, contact information, time period  
9 of contracting with Defendants (even if an estimate), and any other relevant  
10 documents or information that the potential Class Member shares and consents to  
11 being provided to the Settlement Administrator and Counsel. The Settlement  
12 Administrator shall then ascertain, in consultation with Class Counsel and  
13 Defendants' Counsel, whether the potential Class Member is in fact a Class  
14 Member and/or PAGA Member who may be entitled to an Individual Settlement  
15 Payment and/or Individual PAGA Payment. If the Settlement Administrator  
16 concludes that the individual is a Class Member and/or PAGA Member, the  
17 Settlement Administrator shall calculate an Individual Settlement Payment and  
18 Individual PAGA Payment (if any) for the newly identified Class Member and/or  
19 PAGA Member using the same formula for Participating Class Members and  
20 PAGA Members above, such that the additional Individual Settlement Payment  
21 and Individual PAGA Payment would be equal to what the payment would have  
22 been calculated to be had the Class Member(s) and their respective Eligible  
23 Workweeks and Eligible PAGA Pay Periods been identified before the Effective  
24 Date and the Class Member will have the opportunity to participate in this  
25 Settlement and by bound by it in exchange the Individual Settlement Payment and  
26 Individual PAGA Payment (if any), i.e., they will receive the same Minimum  
27 Payment as the Participating Class Members and the Pro Rata Payment will be  
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1 calculated based on the same value per Eligible Workweek received by  
2 Participating Class Members. If the individual is a Current IBP, they will be  
3 required to sign the Arbitration Agreement in order to receive the Individual  
4 Settlement Payment, and have 180 days to cash the check, after which the  
5 Settlement Administrator dispose of the funds in accordance with California's  
6 Unclaimed Property Law. The payments under this section will be paid from the  
7 Reserve Fund. In both the determination of whether the newly identified  
8 individual is a Class Member or a PAGA Member as well as the calculation of  
9 any Individual Settlement Payment or Individual PAGA Payment, the Settlement  
10 Administrator shall consider Defendants' records and any records provided by the  
11 potential Class Member. To the extent there is uncertainty as to the dates and  
12 quantity of Eligible Workweeks or Eligible Pay Periods, the Settlement  
13 Administrator may also consider reasonable estimations from the individual. The  
14 Settlement Administrator's determinations shall be binding on the Parties. In the  
15 event there is money remaining in the Reserve Fund after expiration of the 180-  
16 day check cashing period, this shall be the Residue.

17       **4.12 Reserve Fund Residue.** If the Reserve Fund Residue exceeds  
18 \$5,000, the Settlement Administrator will make a second pro rata distribution to  
19 Class Members. If the Residue does not exceed \$5,000, it will be distributed to a  
20 *cy pres* Feeding San Diego.

## 21       **5. MISCELLANEOUS PROVISIONS**

22       **5.1 Arbitration Agreements.** The Settlement is contingent upon the  
23 Court approving individual arbitration agreements with class/collective waivers  
24 for all Participating Class Members who are Current IBPs as of the date of  
25 Preliminary Approval of the Settlement. The Settlement Administrator will  
26 distribute the Court-approved Arbitration Agreements as part of the notice  
27 process. The Arbitration Agreement shall be the current version used by the  
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1 Company, attached hereto as Exhibit 1, or materially similar to the same.  
2 Individual Settlement Payments to any Participating Class Members that are  
3 Current IBPs are contingent on their execution of the Arbitration Agreement.  
4 Current IBPs will have until the Response Deadline to execute the Arbitration  
5 Agreement, unless Defendants in their discretion agree to extend the time for  
6 certain Current IBPs to execute. If a Current IBP does not execute the  
7 Arbitration Agreement within the Response Deadline, then their Individual  
8 Settlement Payment will be distributed to a *cy pres* charity Feeding San Diego.  
9 Regardless of execution, the Arbitration Agreement shall be binding upon all of  
10 the Participating Class Members that are Current IBPs. The Distribution  
11 Agreements of all Participating Class Members that are Current IBPs shall be  
12 deemed amended to add the new agreement. The Settlement Administrator shall  
13 prepare a list of all the Current IBPs who have not signed the Arbitration  
14 Agreement after fifteen (15) and thirty (30) calendar days following the Response  
15 Deadline and distribute those lists to Class Counsel and Defendants' Counsel. The  
16 Settlement Administrator shall provide such IBPs with a final notice advising  
17 them to sign the Arbitration Agreement promptly or lose access to their Individual  
18 Settlement Payments. Class Counsel will make efforts to ensure signatures are  
19 obtained.

20 **5.2 Requests for International Judicial Relief.** Immediately upon  
21 filing the motion for preliminary approval and supporting papers for the Court,  
22 Plaintiffs' Counsel will take whatever steps necessary to effectuate the withdrawal  
23 of their requests for international judicial relief.

24 **5.3 This Settlement is Fair, Adequate and Reasonable.** The Parties  
25 believe this Settlement is a fair, adequate and reasonable settlement of the Action  
26 and have arrived at this Settlement in arms-length negotiations, taking into  
27 account all relevant factors, present and potential.

1           **5.4 Invalidity of Any Provision.** Before declaring any provision of this  
2 Stipulation invalid, the Court shall first attempt to construe the provisions valid to  
3 the fullest extent possible consistent with applicable precedents so as to define all  
4 provisions of this Stipulation valid and enforceable. Should the Court deem any  
5 clause or provision of this Stipulation be invalid, illegal, or unenforceable, it shall  
6 first attempt to modify or reform it as minimally necessary to be valid, lawful, and  
7 enforceable.

8           **5.5 No Admission.** Neither the acceptance nor the performance by  
9 Defendants of the terms of this Stipulation, nor any of the related negotiations or  
10 proceedings, is or shall be claimed to be, construed as, or deemed to be, an  
11 admission by Defendants or Released Parties of the truth of any of the allegations  
12 in the Complaint, the representative character of the Action, the validity of any of  
13 the claims that were or could have been asserted by Plaintiffs, Class Members  
14 and/or PAGA Members in the Action, or of any liability or guilt of Defendants or  
15 the Released Parties in the Action. Nothing in this Stipulation shall be construed  
16 to be or deemed an admission by Defendants or Released Parties of any liability,  
17 culpability, negligence, or wrongdoing toward Plaintiffs, the Class Members, or  
18 any other person, and Defendants and Released Parties specifically disclaim any  
19 liability, culpability, negligence, or wrongdoing toward Plaintiffs, the Class  
20 Members, PAGA Members and any other person. Defendants and Released  
21 Parties maintain, among other things, that they have complied with California,  
22 federal, and all other applicable laws, including classification of the Independent  
23 Business Partners. Each of the Parties has entered into this Stipulation with the  
24 intention to avoid further disputes and litigation with the attendant inconvenience,  
25 expenses, and contingencies.

26           **5.6 Cooperation.** The Parties agree to cooperate fully with one another  
27 to accomplish and implement the terms of this Settlement. Such cooperation shall  
28

1 include, but not be limited to, execution of such other documents and the taking of  
2 such other action as may reasonably be necessary to fulfill the terms of this  
3 Settlement. The Parties to this Settlement shall exercise reasonable efforts,  
4 including all efforts contemplated by this Settlement and any other efforts that  
5 may become necessary by Court order, or otherwise, to effectuate this Settlement  
6 and the terms set forth herein.

7       **5.7 Privacy of Documents and Information.** Plaintiffs and Class  
8 Counsel agree that none of the documents and information provided to them by  
9 Defendants in connection with the Action and this Settlement shall be used for  
10 any purpose (including on any mailing lists or in any other litigation) other than  
11 this Settlement of the Action.

12       **5.8 Dismissal of Claims.** Upon the Court granting Final Approval, the  
13 claims of all Participating Class Members will be dismissed with prejudice in the  
14 judgement entered by the Court. The claims of those who timely opted out in  
15 compliance with the opt-out requirements of the class notice will be dismissed  
16 without prejudice.

17       **5.9 Notices.** Unless otherwise specifically provided herein, all notices,  
18 demands, or other communications given hereunder shall be in writing and shall  
19 be deemed to have been duly given as of the third business day after mailing by  
20 United States certified mail, return receipt requested, addressed as follows:

21               **To the Class Counsel:**

22               Craig Nicholas  
23               Alex Tomasevic  
24               Shaun Markley  
25               225 Broadway, 19th Floor  
26               San Diego, California 92101

27               **To Defendant:**

28               Michael Puma  
                Sarah Zenewicz  
                Morgan, Lewis & Bockius LLP  
                600 Montgomery Street, Suite 2300

San Francisco, CA 94111-2725

5.10 **Drafting.** The Parties hereto agree that the terms and conditions of this Stipulation of Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Stipulation shall not be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Stipulation.

5.11 **Publicity.** Neither Plaintiffs nor Plaintiffs' Counsel shall issue any press release or announcement of any kind related in any way to the Settlement to the media or on social media or websites. The Parties agree to include language in the Notice informing Class Members that Plaintiffs and their Counsel have agreed not to make unilateral statements to the press or publicize the Settlement on websites, by social media or otherwise. Plaintiffs and Plaintiffs' Counsel agree that, prior to filing a motion for preliminary approval of the Settlement, they will keep the terms of the Settlement confidential except for purposes of communicating with Plaintiffs only. From and after preliminary approval of the settlement, Plaintiffs and Plaintiffs' Counsel may: (1) as required by law, (2) as required under the terms of the Settlement, or (3) as required under counsel's duties and responsibilities as class counsel, communicate regarding the specific terms of the Settlement. In all other cases, Plaintiffs and Plaintiffs' Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written, or electronic (including the world wide web), to say that the Action has been resolved and that Plaintiffs and Plaintiffs' Counsel are satisfied with the settlement terms. Nothing in this Paragraph is intended to interfere with Plaintiffs' Counsel's duties and obligations to faithfully discharge their duties as class counsel, including, but not limited to, communicating with Class Members regarding the settlement, and nothing shall prohibit Plaintiffs' Counsel from

1 referring to the settlement in adequacy of counsel declarations or related court  
2 filings.

3       **5.12 No Exclusion by Class Representatives.** The Class  
4 Representatives, by signing this Stipulation, are each bound by the terms herein  
5 and further agree not to request to be excluded from the Settlement and not to  
6 object to any terms of this Stipulation. Any such request for exclusion or  
7 objection shall therefore be void and of no force or effect. Defendants, Class  
8 Counsel, and the Class Representatives waive their rights to file an appeal, writ,  
9 or any challenge whatsoever to an Order of Final Approval or Judgment or to the  
10 terms of this Stipulation, and such waiver includes the right to appeal any award  
11 or reduction in the awards of attorneys' fees, costs or the Enhancement Award.  
12 However, either Party may appeal in the event an objector's objection is upheld  
13 by the trial court.

14       **5.13 Computation of Time.** If the prescribed time period in which to  
15 complete the required or permitted action expires on a Saturday, Sunday or  
16 federal holiday, such time period shall be continued to the following business day.

17       **5.14 Modification.** This Stipulation may not be changed, altered, or  
18 modified, except in writing signed by the Parties hereto and approved by the  
19 Court. This Stipulation may not be discharged except by performance in  
20 accordance with its terms or by a writing used by the Parties hereto.

21       **5.15 Binding on Successors.** This Stipulation shall be binding upon and  
22 inure to the benefit of the Parties hereto and their respective heirs, trustees,  
23 executors, administrators, successors, and assigns.

24       **5.16 Execution in Counterparts.** This Stipulation shall become effective  
25 upon its execution by all of the undersigned. The Parties may execute this  
26 Stipulation in counterparts, and execution of counterparts shall have the same  
27 force and effect as if all Parties had signed the same instrument.  
28

1           **5.17 Jurisdiction.** The Court shall retain jurisdiction with respect to the  
2 implementation and enforcement of the terms of the Stipulation, and all Parties  
3 hereto submit to the jurisdiction of the Court for purposes of implementing and  
4 enforcing the Settlement embodied in the Stipulation. Any action to enforce this  
5 Stipulation shall be commenced and maintained only in the Court.

6           **5.18 Headings.** Paragraph titles or captions contained in the Stipulation  
7 are inserted as a matter of convenience and for reference, and in no way define,  
8 limit, extend, or describe the scope of this Stipulation, or any provision thereof.

9           IN WITNESS WHEREOF, this Stipulation of Settlement is executed by the  
10 Parties and their duly authorized attorneys, as of the day and year herein set forth.

11 **AGREED AND UNDERSTOOD.**

12           Dated: 3/24/2026  
13           2026

  
Tlaloc Munoz (Mar 24, 2026 15:43:17 PDT)

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Tlaloc Munoz

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15           Dated: \_\_\_\_\_,  
16           2026

\_\_\_\_\_  
Miguel Ruiz

17  
18           Dated: \_\_\_\_\_,  
19           2026

\_\_\_\_\_  
Edgar Corona

20           Dated: \_\_\_\_\_,  
21           2026

\_\_\_\_\_  
Steven Snavely

22  
23           Dated: \_\_\_\_\_,  
24           2026

BIMBO BAKERIES USA, INC.  
EARTHGRAINS DISTRIBUTION, LLC

\_\_\_\_\_  
Matthew Wright  
Assistant General Counsel

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13 Dated: \_\_\_\_\_,  
2026

\_\_\_\_\_  
Tlaloc Munoz

15 Dated: 3-30-2026  
16 2026

  
Miguel Ruiz (Mar 30, 2026 14:33:43 PDT)

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Miguel Ruiz

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18 Dated: \_\_\_\_\_,  
2026

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Edgar Corona

20 Dated: \_\_\_\_\_,  
21 2026

\_\_\_\_\_  
Steven Snavely

22  
23 Dated: \_\_\_\_\_,  
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BIMBO BAKERIES USA, INC.  
EARTHGRAINS DISTRIBUTION, LLC

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2026

\_\_\_\_\_  
Tlaloc Munoz

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15 Dated: \_\_\_\_\_,  
2026

\_\_\_\_\_  
Miguel Ruiz

16  
17 Dated: 03/28/2026  
2026

  
Edgar Corona (Mar 28, 2026 12:09:26 EDT)

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Edgar Corona

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19 Dated: \_\_\_\_\_,  
2026

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Steven Snavely

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21 Dated: \_\_\_\_\_,  
2026

BIMBO BAKERIES USA, INC.  
EARTHGRAINS DISTRIBUTION, LLC

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Matthew Wright  
Assistant General Counsel

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2026

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Tlaloc Munoz

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15 Dated: \_\_\_\_\_,  
2026

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Miguel Ruiz

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17 Dated: \_\_\_\_\_,  
2026

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Edgar Corona

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19 Dated: 3-24  
2026



Steven Snavelly (Mar 24, 2026 16:03:22 PDT)

\_\_\_\_\_  
Steven Snavelly

21  
22 Dated: \_\_\_\_\_,  
23 2026

BIMBO BAKERIES USA, INC.  
EARTHGRAINS DISTRIBUTION, LLC

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25 \_\_\_\_\_  
26 Matthew Wright  
27 Assistant General Counsel  
28

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2026

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Tlaloc Munoz

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15 Dated: \_\_\_\_\_,  
2026

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Miguel Ruiz

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17 Dated: \_\_\_\_\_,  
2026

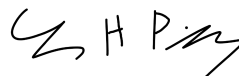
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Edgar Corona

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\_\_\_\_\_  
Steven Snavelly

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21 Dated: April 21 \_\_\_\_\_,  
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BIMBO BAKERIES USA, INC.  
EARTHGRAINS DISTRIBUTION, LLC

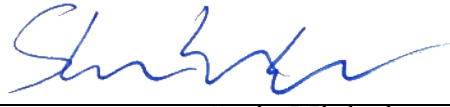
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Craig Pizer

1 **APPROVED AS TO FORM AND AGREED AND UNDERSTOOD:**

2 NICHOLAS & TOMASEVIC, LLP

3 Dated: March 30, 2026

4 By: 

Craig Nicholas  
Alex Tomasevic  
Shaun Markley

Counsel for Plaintiffs

# **EXHIBIT 1**

# BIMBO FOODS BAKERIES DISTRIBUTION, LLC

## ARBITRATION AGREEMENT

**THIS ARBITRATION AGREEMENT** (“Agreement”) is made effective <<Effective Date>> (“Effective Date”), by and between Bimbo Foods Bakeries Distribution, LLC, with its principal office at 5525 N. MacArthur Blvd, Suite 850, Irving, TX 75038, and with an email address of Contract.Notices@grupobimbo.com (“Bakery”), and <<Purchaser Address>>, conducting business at <<Purchaser City>>, <<Purchaser State>> <<Purchaser Zip>>, and with an email address of <<Purchaser Email>> (“Distributor”).

**NOW THEREFORE**, in consideration for good and valuable consideration, including not only the mutual arbitration commitment of the parties to this Agreement but also as an express condition approved by a federal court for the substantial payment received in connection with the *Munoz, et al. v. Earthgrains Distribution LLC, et al.*, United States District Court for the Southern District of California Court Case No. 3:22-cv-01269-AJB-AHG class action, the receipt and sufficiency of which is hereby acknowledged, Distributor and Bakery mutually agree as follows:

**I. DEFINITIONS.** For all purposes of this Agreement and in addition to any additional terms defined herein, the following capitalized terms have the following meanings:

A. **Bakery Entity** means any and all of Bakery’s affiliated parties and entities, all of its past and present affiliates, parents, divisions, and subsidiaries, and each of their predecessors, successors, and assigns, and for all such entities each of their respective past and present owners, members, shareholders, insurers, benefit plans, plan administrators, directors, officers, employees, partners, and representatives.

B. **Dispute** means any and all disagreements, controversies, claims, assertions of rights, assertions of violations, causes of action or other disputes in any way relating to, arising out of or in connection with this Agreement, the Distribution Agreement, or any aspect of the relationship of the parties and/or their affiliates, employees or representatives, of whatever nature or kind as further defined and categorized as a Covered Dispute or Excluded Dispute.

C. **Distribution Agreement** means the contract between the Distributor and Bakery or one of its predecessors, subsidiaries, or affiliates governing sales or sales areas or sales centers located in California.

D. **Guarantor** means a share or membership holder of Distributor that owns more than 50% of the ownership interest in Distributor in their personal/individual name; Guarantor also executed the Distributor’s Distribution Agreement and personally guarantees all of Distributor’s obligations under this Agreement as stated below.

**II. BINDING MUTUAL ARBITRATION.** If the parties are unable to resolve a Covered Dispute (defined below) through informal resolution, the party initiating the Covered Dispute must initiate mandatory **binding arbitration**, by filing a complaint on an individual basis with the

American Arbitration Association (“AAA”). The interpretation and enforcement of this Agreement, including as to the arbitrability of disputes, is governed by the Federal Arbitration Act (the “FAA”), including procedures such as staying any claims or action in court and enforcement of arbitration awards. To the extent the FAA is found to be inapplicable by a court or arbitrator, this arbitration agreement will be enforceable under applicable state law and governed by the procedural law relevant to arbitration agreements in the state in which the Covered Dispute arose. Notwithstanding the previous sentence, a court of competent jurisdiction may compel arbitration under the state law where the Covered Dispute arose if it is uncertain about the applicability of the FAA or unable to decide the FAA’s applicability without discovery. This agreement to arbitrate applies with respect to all Covered Disputes, whether initiated by Distributor or Guarantor or Bakery or Bakery Entity.

**III. COVERED DISPUTES.** Except for the Excluded Disputes (defined below), “Covered Disputes” include any and all Disputes between Distributor or Guarantor on the one hand and Bakery and/or Bakery Entity on the other hand (including any counterclaims or third-party claims that may be asserted against Guarantor or Distributor) arising out of or in any way relating to this Agreement or the parties’ relationship as governed by the applicable Distribution Agreement or the end of that relationship, including any claims or disputes relating to any assertion of any employment relationship between Distributor (and/or its employees, contractors, owners or representatives) and Bakery and/or any Bakery Entity; claims for breach of the Distribution Agreement or other contract between the parties; tort, defamation and other common law claims; wage and hour and/or wage payment claims, including any claims or disputes under the California Private Attorneys General Act (“PAGA”) based on allegations that Distributor or Guarantor personally sustained wage and hour violations; claims related to intellectual property, trademarks or trade secrets; unfair competition claims; statutory discrimination, harassment, and retaliation claims; and claims arising under or relating to any federal, state or local constitution, statute or regulation, now or hereafter recognized. Covered Disputes include any dispute between Distributor or Guarantor and an employee, owner, Bakery Entity or other affiliate or alleged joint employer of Bakery arising out of services Distributor provides to Bakery, or Distributor’s or Guarantor’s relationship with Bakery, provided that such dispute relates to matters that are the subject of a Covered Dispute between Distributor or Guarantor and Bakery or Bakery Entity.

**IV. EXCLUDED DISPUTES.** The following disputes (collectively, “Excluded Disputes”) are not subject to the mandatory dispute resolution process set forth in this Agreement: (i) applications for temporary or preliminary injunctive relief in aid of arbitration or for the maintenance of the status quo pending arbitration; (ii) claims for public injunctive relief; a court, not an arbitrator, shall decide whether a claim is for public or private injunctive relief, and any claims for private injunctive relief must be arbitrated on an individual basis; (iii) non-individual PAGA claims alleging Labor Code violations that an individual other than Distributor or Guarantor suffered, to the extent these PAGA claims cannot be waived under applicable law; (iv) claims for sexual harassment and/or sexual assault as defined by the Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act (9 U.S.C. §§ 401, 402) if the claiming party elects to exclude such claims from arbitration under this Agreement; and (v) any claim that cannot be subject to mandatory arbitration under federal law or state law that is not preempted by the FAA. For the avoidance of doubt, claims against a party to this

Agreement are not Excluded Disputes merely by being labeled “third-party” claims. Nothing set forth herein waives either party’s right to file a charge or complaint with or to cooperate with any federal, state, or local administrative agency; however, any Covered Dispute that is not resolved through the federal, state or local administrative agency proceeding must be submitted to arbitration in accordance with this Agreement, except where expressly precluded by a federal statute or regulation.

**V. CLASS AND COLLECTION ACTION WAIVER.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, DISTRIBUTOR AND GUARANTOR AND BAKERY AND ANY BAKERY ENTITY AGREE ON ITS AND THEIR BEHALF AND ON BEHALF OF DISTRIBUTOR’S OWNERS TO WAIVE ANY RIGHT TO: (I) INITIATE OR MAINTAIN ANY COVERED DISPUTE ON A CLASS ACTION BASIS OR COLLECTIVE ACTION BASIS, EITHER IN COURT OR IN ARBITRATION, INCLUDING THE RIGHT TO A TRIAL BY JURY; (II) SERVE OR PARTICIPATE AS A REPRESENTATIVE OF ANY SUCH CLASS ACTION OR COLLECTIVE ACTION; (III) SERVE OR PARTICIPATE AS A MEMBER OF ANY SUCH CLASS ACTION OR COLLECTIVE ACTION; OR (IV) RECOVER ANY RELIEF FROM ANY SUCH CLASS ACTION OR COLLECTIVE ACTION. Distributor and Guarantor further agree that if it/they are included within any such class or collective action, it/they will take all steps necessary to opt-out of the action or refrain from opting in, as the case may be.

The parties hereto further agree that the arbitrator will have no power to adjudicate or award remedies including penalties for violations that a party to the arbitration did not personally experience, including, but not limited to, Excluded Disputes that are non-individual claims brought on behalf of other individuals pursuant to PAGA. The arbitrator has the power to award and must decide claims for penalties pursuant to PAGA for claimed violations the party personally experienced, and the arbitrator must decide disputes over whether the party personally experienced Labor Code violations, regardless of whether the party asserts an individual claim for penalties pursuant to PAGA.

The parties further agree that no arbitrator has authority to: (i) order, authorize, or permit any notice or information about an arbitration or any claims or defenses in an arbitration to be sent to any class or collective or representative group of persons other than the parties to the individual arbitration, provided that any party or the arbitrator may compel testimony of a witness or the production of documents, material or information (including information pertaining to potential witnesses) consistent with applicable arbitration rules or (ii) order or require either party to produce any kind of contact information for any class or collective or representative group of current or former distributors of Bakery or any Bakery Entity. The arbitrator only has authority to allow a Covered Dispute to be decided in arbitration on an individual basis.

Any issue concerning the validity or enforceability of the waiver in this Agreement, including the prohibition against class or collective action arbitration and the validity or enforceability of the prohibition against arbitration of non-individual PAGA claims, must be decided by a court of competent jurisdiction applying the FAA or applicable state law if the FAA is found not to apply,

and no arbitrator has any authority to consider or decide any issue concerning the validity or enforceability of the waiver or the prohibition against arbitration of non-individual PAGA claims. Any other issue concerning arbitrability of a particular issue or claim pursuant to the arbitration agreement must be resolved by the arbitrator, not the court, including any issue related to whether a PAGA claim or dispute involves a Covered Dispute.

**VI. SELECTION AND RULES.** Except as specified below, Distributor, Guarantor, and Bakery agree that any arbitration of a Covered Dispute will be resolved by final and binding arbitration conducted pursuant to the FAA and under the auspices of the AAA and its Commercial Arbitration Rules (“AAA Commercial Arbitration Rules” available at [www.adr.org](http://www.adr.org), unless the AAA determines that the AAA Employment Rules should apply), or any successor rules, and will be conducted before a single arbitrator unless all parties to the arbitration agree otherwise in writing. Distributor, Guarantor, and Bakery agree that the arbitration will be held in or near the county in which Distributor operated under the Distribution Agreement, or in any other mutually agreed location. To the extent any of the terms, conditions or requirements of this Agreement conflict with the AAA Commercial or Employment Arbitration Rules or other applicable rules, the terms, conditions and requirements of this Agreement will govern. The arbitrator has the authority to resolve discovery disputes in a manner that allows the parties a fair opportunity to discover and present relevant and material evidence, notwithstanding any limitations on discovery set forth in the AAA Commercial Arbitration Rules. The arbitrator is required to issue a written award and opinion, and the award will be final and binding, and any judgment or award issued by an arbitrator may be entered in any court of competent jurisdiction. The arbitration is subject to the same burdens of proof and statutes of limitations as if the Covered Dispute was being heard in federal district court, and the parties may file and the arbitrator must hear and decide any timely motion permitted by the Federal Rules of Civil Procedure, including without limitation motions to compel discovery, motions for protective orders, motions to dismiss, motions for summary judgment, and motions in limine. The parties shall maintain the confidential nature of the arbitration proceedings to the extent necessary based on a legitimate commercial need or privacy interest and all hearings shall be closed except to the arbitrator and AAA staff, the parties, their legal representatives, any allowed transcriber of the proceedings, and non-parties testifying as witnesses, unless the parties mutually agree to additional attendees. Nothing in this confidentiality provision shall prohibit the parties from communicating with their legal representatives or witnesses about the arbitration proceedings or engaging in protected activity. The parties shall maintain the confidential nature of the award, except as may be necessary in connection with a judicial challenge to an award or judicial action for its enforcement, or unless otherwise required by law. No arbitration award or decision will have any preclusive effect as to any issues or claims in any other dispute, arbitration, or court proceeding involving persons who were not parties to the arbitration and may not be cited or referenced by any party in any such arbitration or court proceeding unless the parties involved in the other arbitration or court proceeding were also parties of the original case. However, if Distributor or Guarantor pursues a PAGA claim, the arbitrator’s award or decision can be presented to a court by either party as a determination of whether or not and if so to what extent Distributor or Guarantor sustained Labor Code violations, including to determine whether and if so to what extent Distributor or Guarantor has standing as an “aggrieved employee” under PAGA.

**VII. REMEDIES.** Subject to the parties' right to seek confirmation or vacatur of an award under applicable law, the parties acknowledge and agree that the decision of the arbitrator will be final and binding on the parties and that the arbitrator is authorized to award any party the full individual remedies that would be available to such party if the Covered Dispute had been filed in a court of competent jurisdiction, including actual and reasonable attorneys' fees and costs, if any. The parties acknowledge and agree that as part of a party's costs, it may recover expert fees incurred to the same extent as it could in court. Distributor and Guarantor acknowledge and agree that, subject to any applicable fee-shifting provisions, it is responsible for the filing fee required to institute arbitration with the AAA up to the amount of the filing fee it would have incurred had it filed such Covered Dispute(s) in federal district court. Bakery (or Bakery Entity, as the case may be) is responsible for all additional arbitration filing fees, forum fees, and other fees and costs assessed by the AAA including the arbitrator's fees, subject to the arbitrator's exercise of its authority if authorized under applicable law to award Bakery (or Bakery Entity, as the case may be) costs and fees as the prevailing party or under Rule 11 of the Federal Rules of Civil Procedure, which will apply to Covered Disputes. In all instances, Distributor or Guarantor is responsible to pay for its/their own attorneys' fees and costs, subject to any applicable fee-shifting provisions.

**VIII. SEVERABILITY.** Without limiting any general severability provision of this Agreement, the parties understand and agree that if a court or arbitrator invalidates or refuses to enforce any term or portion of a term set forth in this Agreement, the remainder of this Agreement (including all portions of terms that are found valid and enforceable) will not be affected by such invalidity or unenforceability but will remain in full force and effect, except that if any portion of the class or collective action waiver or the prohibition against arbitration of non-individual PAGA claims is found invalid or unenforceable, in no event may a court or arbitrator order arbitration on a class or collective basis or arbitration of non-individual PAGA claims. Instead, any such affected claim must be litigated in court.

**IX. ENTIRE AGREEMENT.** This Agreement supersedes any other agreements executed between the parties with respect to the mandatory dispute resolution process set forth in this Agreement. This Agreement, together with the Distribution Agreement and Schedules and any other agreements executed by the parties, constitute the entire agreement between the parties and supersedes all prior agreements, discussions, negotiations, understandings, representations, conditions, warranties and covenants between them with respect to this subject matter. No promises, inducements or representations regarding this Agreement have been made by any party other than those set forth in the written and signed agreements between the parties.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**SIGNATURES:**

**BAKERY:**

\_\_\_\_\_

**GUARANTOR ON BEHALF OF BOTH DISTRIBUTOR AND GUARANTOR  
INDIVIDUALLY:**

\_\_\_\_\_

*On Behalf of* <<Class Member Business Name>>

## **EXHIBIT 2**

**NOTICE OF SETTLEMENT**

To: Current and former Independent Business Partners (“IBPs”) who contracted with either *Earthgrains Distribution LLC* or one of its predecessors, subsidiaries, or affiliates for sales in sales areas in California or who were purchasing product in California or selling to customers in California at any time between July 27, 2018 through and including February 28, 2026 (the “Class”).

**CLASS MEMBERS ARE ELIGIBLE TO RECEIVE PAYMENT FROM THE CLASS SETTLEMENT AND MAY ALSO BE ELIGIBLE TO RECEIVE PAYMENT FROM THE PAGA SETTLEMENT DESCRIBED IN THIS NOTICE.**

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>RECEIVE SETTLEMENT PAYMENT</b>                 | If you are a former IBP as of February 28, 2026, you do not need to do anything to receive a settlement payment. If you are a current IBP as of February 28, 2026, you must execute an Arbitration Agreement to receive a settlement payment. Your payment will be mailed to you, automatically, after the Court grants final approval of the settlement and subject to execution of that Agreement. <i>You must keep a current address on file with the Settlement Administrator to ensure receipt of your check.</i> |
| <b>CHANGE CONTACT AND ADDRESS INFORMATION</b>     | Update your address with the Administrator to ensure your check is sent to the correct address.                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT</b> | <p>If you do not want to participate in the class settlement, you may exclude yourself (“opt out”) of the class portion of the settlement. If you exclude yourself from the class settlement, then you will not receive any payment from the Net Settlement Amount (defined below).</p> <p>However, if you are a PAGA Member (defined below), even if you exclude yourself from the class settlement, you will still receive a portion of the PAGA settlement and will be bound by the release of PAGA claims.</p>     |
| <b>OBJECT IN WRITING OR AT THE HEARING</b>        | Write to the Court if you think the settlement is not fair and then appear at the Final Approval hearing to speak to the Court about why you think the settlement is not fair.                                                                                                                                                                                                                                                                                                                                         |

- **YOUR RIGHTS AND OPTIONS – AND THE DEADLINES TO EXERCISE THEM – ARE EXPLAINED IN THIS NOTICE.**
- **DEFENDANTS WILL NOT RETALIATE IN ANY MANNER AGAINST ANY CLASS MEMBER FOR PARTICIPATING OR NOT PARTICIPATING IN THIS SETTLEMENT.**

## BACKGROUND ON THE LAWSUIT

### 1. What is this Class and PAGA Lawsuit and Settlement about?

On July 27, 2022, Plaintiffs Corona, Munoz and Ruiz initiated this “Action” by filing a Class Action Complaint in San Diego County Superior Court, which Defendants Bimbo Bakeries USA, Inc. and Earthgrains Distribution, LLC subsequently removed to the United States District Court for the Southern District of California. Plaintiffs Corona, Munoz, and Ruiz later filed their First Amended Complaint, adding Steven Snavelly as a Plaintiff (together, “Plaintiffs”). In the operative Second Amended Complaint, Plaintiffs allege causes of action for (1) violation of California Labor Code §2802 (failure to reimburse business expenses); (2) violation of California Labor Code §§ 221-223 (unlawful deductions from wages); (3) violation of California Labor Code § 226 (failure to provide accurate wage statements) (4) violation of California Labor Code § 510 (failure to pay overtime); (5) violation of California Labor Code § 226.7 (failure to provide meal periods or rest breaks); (6) violation of California Labor Code § 201-203 (failure to pay wages due upon termination); (7) violation of California Labor Code § 245-259 (failure to pay sick leave wages); (8) violation of California Business & Professions Code §§ 17200, et seq. (violation of unfair competition law); (9) violation of California Labor Code § 2698, et seq. (PAGA). Plaintiffs seek to represent current and former Independent Business Partners (“IBPs”) who contracted with either Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates for sales in sales areas in California or who were purchasing product in California or selling to customers in California at any time between July 27, 2018 and February 28, 2026.

Defendants deny all allegations in the Action and contend that they fully complied with federal, state and local wage and hour laws. The settlement is not an admission of any wrongdoing by Defendants or others released by the settlement or an indication that any law was violated or that this case was suitable for class or representative treatment. Through arms-length negotiations with an experienced wage and hour mediator, the Parties reached a class and PAGA settlement subject to Court approval, which is summarized in this Notice.

Additional documents and information can be found at the settlement website: [DOMAIN NAME].

### 2. Why did I get this notice?

You received this Notice because records identify you as a Class Member who contracted with Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates at any time during the period from July 27, 2018, through and including February 28, 2026 (the “Class Settlement Period”). The settlement will resolve Class Members’ claims, summarized above, during the Class Settlement Period. The Settlement will also resolve claims for civil penalties under the PAGA. You may also be a “PAGA Member” if you contracted with Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates during the period from May 18, 2021, through February 28, 2026 (the “PAGA Settlement Period”).

The purpose of this notice is to explain the lawsuit, the pending Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of California, and the case is known as *Munoz, et al. v. Earthgrains Distribution LLC, et al.*, Case No. 3:22-cv-01269-AJB-AHG. The Court held a hearing on [REDACTED], 2026, and District Judge Anthony J. Battaglia preliminarily approved this Settlement and directed that you receive this Notice. The Court will hold a Final Approval hearing concerning the Settlement on [REDACTED], 202\_ at [REDACTED], in the Edward J. Schwartz United States Courthouse, Courtroom 4A, 221 West Broadway San Diego, CA 92101. The Final Approval Hearing may be continued to another date without further notice.

**3. Why is there a settlement?**

The settlement resolves disputed claims between the Plaintiffs and Defendants. The Court has not decided in favor of Plaintiffs or Defendants or made any decision as to whether this case could proceed on a class or representative basis. There was no trial. Defendants are not admitting any fault through the settlement of the Lawsuit.

**4. Who are the Attorneys for the Class and the PAGA Members?**

The Court has appointed Class Counsel to represent the Class and the PAGA Members in connection with this Settlement:

Craig Nicholas  
Alex Tomasevic  
Shaun Markley  
225 Broadway, 19th Floor  
San Diego, California 92101  
Telephone: (619)325-0492  
cnicholas@nicholaslaw.org  
atomasevic@nicholaslaw.com  
smarkley@nicholaslaw.com

**THE TERMS OF THE SETTLEMENT**

**5. What is the Settlement Amount?**

The proposed Settlement provides for a maximum payment of Seventeen Million Five Hundred Thousand Dollars and Zero Cents (\$17,500,000.00) (referred to as the “Gross Settlement Amount”). In addition to paying your Individual Settlement Payment (discussed below), this amount will pay for several other things related to this Lawsuit. From the Gross Settlement Amount, Class Counsel will apply to the Court for: attorneys’ fees of up to one third of the Gross Settlement Amount, or Five Million Eight Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$5,833,333.33) and up to Forty Five Thousand Dollars and Zero Cents (\$45,000.00) in recoverable costs incurred in this Action; Class Representative Enhancement Award of Sixty Thousand Dollars and Zero Cents (\$60,000.00), representing Fifteen Thousand Dollars and Zero Cents (\$15,000.00) each to Plaintiffs Munoz, Ruiz, Corona, and Snively for their work and efforts prosecuting this case, for undertaking the risks of payment of costs (in the event of an unsuccessful outcome of this Action) and for signing a general release of any claims they may have against Defendants; a Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) payment as settlement for claims for civil penalties under PAGA (the “PAGA Payment”), of which 75% will go to the California Labor Workforce Development Agency (“LWDA”) and 25% will be divided among the PAGA Members as described below; a Two Hundred Thousand Dollars (\$200,000.00) Reserve Fund to make Individual Settlement Payments to Class Members, if any, who were not identified in the Class Data before the Effective Date through the 180-day cash checking period; and Settlement Administration Costs to [Settlement Administrator] estimated at Sixteen Thousand Dollars (\$16,000.00). The exact amount of the attorneys’ fees, litigation costs, Class Representative Enhancement Award, and Settlement Administration Costs will be determined by the Court at the Final Approval hearing.

**6. How will the Individual Settlement Payments to Participating Class Members be calculated?**

Participating Class Members will receive Individual Settlement Payments from the Net Settlement Amount. **A claim form is not required to become a Participating Class Member, but current IBPs are required to execute an Arbitration Agreement in order to receive an Individual Settlement Payment.** You can sign the Arbitration Agreement on the settlement website available at: [DOMAIN]. Class Members who opt out of the

class settlement will not become Participating Class Members and will not receive Individual Settlement Payments and will not be bound by the class portion of this Settlement.

Each Participating Class Member's Individual Settlement Payment will consist of a minimum payment ("Minimum Payment") and a pro rata share of the Net Settlement Amount based on the number of workweeks that each Participating Class Member contracted with Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates during the Class Settlement Period (July 27, 2018, through and including February 28, 2026) ("Eligible Workweeks") as a proportion of all Eligible Workweeks for all Participating Class Members ("Pro Rata Payment"). The Minimum Payment shall be calculated as fifteen percent (15%) of the Net Settlement Amount divided equally among all Participating Class Members. The Pro Rata Payment shall be calculated by taking the remaining eighty-five percent (85%) of the Net Settlement Amount and dividing it among the Participating Class Members on a pro rata basis based on the Eligible Workweeks each Participating Class Member contracted with Defendants during the Class Settlement Period, using the following formula:  $[(\text{individual Participating Class Member's Eligible Workweeks} \div \text{all Participating Class Members' Eligible Workweeks}) \times \text{Eight-Five percent (85\% of the Net Settlement Amount)}]$ .

All Individual Settlement Payments to Participating Class Members shall be allocated as 100% of each Individual Settlement Payment shall constitute non-employee compensation and penalties, for which a 1099 will be issued if required by law. Participating Class Members will be responsible for correctly characterizing the Individual Settlement Payment for tax purposes and paying taxes due, if any.

Your total estimated Eligible Workweeks is [REDACTED]. Based on that, your anticipated approximate Individual Settlement Payment is [REDACTED], provided you sign the arbitration if applicable and do not opt-out.

## **7. How will the PAGA Payment be allocated to the LWDA and PAGA Members?**

The Parties will ask the Court to approve the Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) PAGA Payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Payment, or \$262,500, will be paid to the LWDA. The remaining 25% of the PAGA Payment, or \$87,500, will be distributed to the PAGA Members as Individual PAGA Payments.

Not all Class Members are PAGA Members who are entitled to an Individual PAGA Payment. If you are a PAGA Member, you are entitled to receive an Individual PAGA Payment; no claim form is required. Because PAGA Members cannot opt out of the PAGA settlement, if you are a PAGA Member and you opt out of the class settlement, you will still receive an Individual PAGA Payment and be bound by the PAGA settlement.

Each PAGA Member's Individual PAGA Payment will be a pro rata share of the 25% of the PAGA Payment to be distributed to PAGA Members. It will be based on the number of pay periods that each PAGA Member contracted with Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates during the PAGA Period (May 18, 2021, through February 28, 2026) ("Eligible Pay Periods") as a proportion of all Eligible Pay Periods for all PAGA Members. For tax purposes, 100% of the Individual PAGA Payments will be allocated as penalties for which an IRS Form 1099, if required by law.

Your total estimated Eligible Pay Periods is [REDACTED]. Based on that, your anticipated approximate Individual PAGA Payment is [REDACTED].

## HOW TO GET A PAYMENT

### 8. How can I get a settlement payment?

If you are a former IBP as of February 28, 2026, and do nothing, you will automatically receive your Individual Settlement Payment and Individual PAGA Payment (if any) after the Court approves the Settlement at a Final Approval Hearing. You must notify the Settlement Administrator of any change in your name, mailing address and/or telephone number if the information shown on this is not correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your address. Settlement payments will be mailed to the last known address the Settlement Administrator has on file for you.** You can contact the Settlement Administrator by U.S. Mail, email or phone at [REDACTED] if you need to update contact information.

If you are a Current IBP as of February 28, 2026, you must execute the Arbitration Agreement within (45) calendar days after the Settlement Administrator mails this Notice of Settlement in order to receive your Individual Settlement Payment. **If you do not timely execute the Arbitration Agreement, then your Individual Settlement Payment will be distributed to a *cy pres* charity of Defendants' choice that addresses food insecurity in Southern California.** You will receive the Individual PAGA Payment and will be bound by the class settlement release regardless of whether you execute the Arbitration Agreement. You must notify the Settlement Administrator of any change in your name, mailing address and/or telephone number if the information shown on this is not correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your address. Settlement payments will be mailed to the last known address the Settlement Administrator has on file for you.** You can contact the Settlement Administrator by U.S. Mail, email or phone at [REDACTED] if you need to update contact information.

In the event there is money remaining in the Reserve Fund after expiration of the 180-day check cashing period, and if it exceeds \$5,000, the Settlement Administrator will make a second pro rata distribution to Class Members. If the money remaining in the Reserve Fund does not exceed \$5,000, no second distribution will be made and the Settlement Administrator will instead distribute the money to a *cy pres* charity of Defendants' choice that addresses food insecurity in Southern California.

### 9. What do I do if I believe my Eligible Workweeks or Eligible Pay Periods are incorrect?

If you believe the Eligible Workweeks and Eligible Pay Periods above are not correct, you may send a letter to the Settlement Administrator indicating what you believe to be the correct information. Your letter must be postmarked on or before [REDACTED], 2026 [*45 calendar days within mailing of Notice*]. You should include any documents or other information which supports what you believe support that you worked a different number of Eligible Workweeks or Eligible Pay Periods.

**Settlement checks should be cashed promptly upon receipt.** Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or PAGA Member who did not cash his or her settlement check. **If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.**

## WHAT HAPPENS IF THE COURT APPROVES THE SETTLEMENT

### 10. What am I giving up to get an Individual Settlement Payment?

If the Court approves this Settlement, and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be a part of any other lawsuit against Defendants

or other Released Parties concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or “releasing” the claims described below:

**Released Parties:** Means all named Defendants in the Action and all of their affiliated parties and entities, including all past and present affiliates, parents, divisions, and subsidiaries, and each of their predecessors, successors, and assigns, and for all such entities each of their respective past and present owners, members, shareholders, insurers, benefit plans, plan administrators, counsel, directors, officers, employees, partners, members and representatives.

**Released Class Claims:** As of the Effective Date, all Participating Class Members fully and finally release the Released Parties from the Released Class Claims that arose during the Class Settlement Period. The “Released Class Claims” means all federal, state and local law claims, rights, demands, liabilities, penalties and causes of action asserted against the Released Parties in the Action and/or that could have been asserted in the Action based upon the facts set forth in the Action and/or the LWDA letters (as amended), including, but not limited to, causes of action for or based on: (1) failure to reimburse business expenses (Lab. Code, § 2802); (2) unlawful deductions from wages (Lab. Code §§ 221-223); (3) failure to provide accurate wage statements (Lab. Code § 226); (4) failure to pay overtime (Lab. Code § 510); (5) failure to provide meal breaks (Lab. Code § 226.7); (6) failure to provide rest breaks (Lab. Code § 510); (7) waiting time penalties (Lab. Code §§ 201-203); (8) failure to pay sick leave (Lab. Code § 246 et seq.); and (9) unfair business practices (Bus. Prof. Code § 17200 et seq.) based on the same alleged Labor Code violations; as well as all claims under the Fair Labor Standards Act (“FLSA”) and all state or local wage and hour and wage payment/notice laws (such as claims for overtime, straight-time wages, minimum wage, meal and rest breaks, wage statements, wage notices or statements, expense reimbursement, allegedly unlawful deductions, and any other wage payment or wage notice claims), claims for other unpaid compensation, bonuses, benefits, or business expenses, and related common law theories (such as claims for breach of contract, breach of promise, real or implied, fraud, misrepresentation and unjust enrichment) under the laws of any jurisdiction where a given Participating Class Member lived or worked during any portion of the Class Settlement Period.

#### **11. What PAGA Claims are released by this Settlement?**

If the Court approves this Settlement, the PAGA Members cannot sue, continue to sue, or be a part of any other lawsuit against Defendants or Released Parties concerning the PAGA claims resolved by this lawsuit based on the following release.

**Released PAGA Claims:** As of the date of the Effective Date, Plaintiff, as representative of the State of California and on behalf of the LWDA and as representative of the PAGA Members, fully and finally releases the Released Parties from the Released PAGA Claims for the PAGA Settlement Period. The “Released PAGA Claims” means all claims for civil penalties under PAGA against the Released Parties asserted in the Action and/or the LWDA letter (as amended) and/or that were asserted or could have been asserted in the Action based upon the facts set forth in the Action and/or the LWDA letter (as amended), including, but not limited to, claims for violations of the California Labor Code §§ 201, 202, 203, 210, 216, 221, 223, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 246, 246.5, 432.5, 450, 510, 512, 558, 1174, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 1199, and 2802 and the applicable Industrial Welfare Commission Wage Order.

### **EXCLUDING YOURSELF FROM THE CLASS SETTLEMENT**

#### **12. How do I exclude myself (“opt out”) of the class settlement?**

If you wish not to participate in the class settlement for whatever reason, you should exclude yourself from the class settlement (that is, “opt out” of the class portion of the Settlement). However, you cannot opt out of the

PAGA portion of the settlement. Those who opt out of this Settlement and who are also PAGA Members will still be bound by the release of PAGA in this Settlement and will receive an Individual PAGA Payment.

To opt out of the class portion of the Settlement and the Released Class Claims, you must provide a signed and dated letter to the Settlement Administrator requesting to be excluded. The letter must include the case name and number, your name, address, and last four of your social security number, must be signed by you, and must reasonably communicate your election to be excluded from the class Settlement. The letter must be postmarked and mailed to the Settlement Administrator at the following address (or in the enclosed envelope) on or before [redacted], 2026 [45 calendar days within mailing of Notice] Opt-out requests postmarked after the deadline will be invalid.

[Settlement Admin address]

**13. If I don't exclude myself from the class settlement, can I sue Defendants for the same thing?**

No. Unless you exclude yourself, you give up any right to sue the Released Parties for the Released Class Claims. If you have a claim or lawsuit already filed against Defendants or any of the Released Parties, you should speak to your lawyer in that case immediately.

You cannot exclude yourself from the PAGA portion of the Settlement and you cannot sue the Released Parties for the Released PAGA Claims later if this Settlement is approved.

**OBJECTING TO THE SETTLEMENT**

**14. How do I tell the Court that I do not agree with the Settlement or believe it is not fair?**

You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out, and the lawsuit will continue. If that is what you want to happen, you should object. Even if you object, if the Court approves the Settlement, then you will still receive the Individual Settlement Payments and be bound by the releases in this Settlement unless you opt-out of the Class Settlement.

If you submit a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (*Munoz, et al. v. Earthgrains Distribution LLC, et al.*, Case No. 3:22-cv-01269-AJB-AHG), (b) be mailed to the Settlement administrator at [redacted], and (c) be postmarked on or before [45 calendar days within mailing of Notice]." The written objection should also describe all legal and factual reasons that you object to the terms of the settlement. You should also include or attach any documents upon which your objection is based.

**THE FINAL APPROVAL HEARING WITH THE COURT**

**15. When and where will the Court decide whether to grant final approve the settlement?**

The Court will hold a Final Approval hearing concerning the Settlement on [redacted], 202\_ at [redacted], in the Edward J. Schwartz United States Courthouse, Courtroom 4A, 221 West Broadway San Diego, CA 92101. At this hearing the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and costs, the Class Representative's Enhancement Award, and the Settlement Administrator's fees and expenses.

The Court may reschedule the Final Approval hearing without further notice to Class Members. You should check the Southern District of California's website (<https://www.casd.uscourts.gov/>) or you can contact Class Counsel to verify the date and time of the Final Approval hearing.

**16. Do I have to come to the hearing?**

No. Class Counsel will answer any questions the Judge may have. But you are welcome to come at your own expense. If you timely submit a written objection, you don't have to come to Court to talk about it. You may also hire and pay your own lawyer to attend if you so desire.

**GETTING MORE INFORMATION**

**17. Whom may I contact if I have questions about the settlement?**

You may contact Class Counsel at the contact information listed above in Paragraph 4 if you have any questions about the Settlement. The Settlement Agreement and other settlement documents are available at no charge on the Settlement website at [REDACTED]. You may also contact the court-appointed Settlement Administrator at:

[Settlement Administrator]  
[Address]  
[Address Line 2]  
[Phone Number]  
[Email Address]

This notice summarizes the proposed settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available by contacting Class Counsel, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Southern District of California, Office of the Clerk, 333 West Broadway, Suite 420 San Diego, CA 92101, between 8:30 a.m. and 4:30 p.m., Monday through Friday, excluding Court holidays.

**PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.**