

HAINES LAW GROUP, APC

Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Andrew J. Rowbotham (SBN 301367)
arowbotham@haineslawgroup.com
Susan J. Perez (SBN 329044)
sperez@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355
Attorneys for Plaintiff

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

JUAN DAVID ARREOLA CARRILLO, as
an individual and on behalf of all others
similarly situated,

Plaintiff,

vs.

KPS GLOBAL, LLC, a Delaware
corporation; and DOES 1 through 100,

Defendants.

CASE NO. 22STCV19527

*[Case assigned for all purposes to the Hon.
Kenneth R. Freeman, Dept. 14]*

**DECLARATION OF FLETCHER W.
SCHMIDT IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: February 1, 2024

Time: 10:00 a.m.

Dept.: 14

Action Filed: June 15, 2022

Trial Date: None Set

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I, Fletcher W. Schmidt, declare as follows:

1. I am a Partner at the Haines Law Group, APC, and counsel for the named Plaintiff Juan David Arreola Carrillo (“Plaintiff”) in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I am a 2012 graduate of Loyola Law School, Los Angeles, where I graduated *cum laude* and was awarded membership in the Order of the Coif. From August 2013 to March 2016, I worked as an associate attorney at Boren, Osher & Luftman LLP. Since March 2016 I have worked at my current firm, Haines Law Group, APC, where, in 2018, I became a Partner.

3. During my time with Boren, Osher & Luftman LLP and Haines Law Group, APC, my practice has been solely devoted to litigating plaintiff-side wage and hour class actions in California state and federal court. I am currently responsible for managing a caseload of over seventy-five (75) active wage and hour class actions in which I am integrally involved in all aspects of the litigation.

4. The following is a non-exhaustive list of class action and PAGA settlements in which I have been named as Class Counsel, and which have been granted final approval: *Julio v. Anthony, Inc.*, Case No. CV14-03172 AB (SHx), United States District Court, Central District of California, Honorable Judge Andre Birotte, Jr. presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015); *Litt v. Western Stone & Metal Corp.*, Case No. 3:14-cv-02804-PJH, United States District Court, Northern District of California, Honorable Judge Phyllis J. Hamilton presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015); *Rubalcava v. United Towing and Transport Burbank, et al.*, Case No. BC518468, California Superior Court, County of Los Angeles, Honorable Judge Kenneth Freeman presiding (approving an hourly rate of \$350 for work performed in 2013, 2014 and 2015); *Rivera Regalado v. Jaguar Farm Labor Contracting*, Case No. CV 130569, California Superior Court, County of San Luis Obispo, Honorable Martin J. Tangeman presiding (approving an hourly rate of \$350 for work

performed in 2014 and 2015); *Sanchez v. Res-Care, Inc.*, Case No. BC526175, California Superior Court, County of Los Angeles, Honorable John S. Wiley presiding (approving an hourly rate of \$350 for work performed in 2013, 2014 and 2015); *Rodas v. Gateways Hospital and Mental Health Center*, Case No. BC503179, California Superior Court, County of Los Angeles, Honorable Judge Amy D. Hogue presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015); *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge John F. Walter presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015); *Shaw v. Conant Auto Retail, San Diego*, Case No. 37-2014-00044052-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Judge Joan M. Lewis presiding (approving an hourly rate of \$375 for work performed in 2014, 2015, and 2016); *Tirado v. Ricon Corp.*, Case No BC537042, California Superior Court, County of Los Angeles, Honorable Judge John Shepard Wiley, Jr. presiding (approving an hourly rate of \$375 for work performed in 2014, 2015, and 2016); *Tesla Motors Wage and Hour Litigation*, JCCP 4792, California Superior Court, County of Santa Clara, Honorable Peter H. Kirwan presiding (approving an hourly rate of \$375 for work performed in 2013, 2014, 2015, and 2016); *Lopez v. RM HQ LLC, et al.*, Case No. BC525592, California Superior Court, County of Los Angeles, Honorable Elihu M. Berle presiding (approving an hourly rate of \$375 for work performed in 2013, 2014, 2015, and 2016); *Horta v. Searles Valley Minerals, Inc.*, Case No. CIVDS 1507615, California Superior Court, County of San Bernardino, Honorable Donald Alvarez presiding (approving an hourly rate of \$375 for work performed in 2015 and 2016); *Mansilla v. Haeco Americas Line Services, LLC, et al*, Case No. BC615310, Superior Court of California, County of Los Angeles, Honorable Judge Elihu M. Berle presiding (approved at an hourly rate of \$425 for work performed in 2016 and 2017); *Khosravi v. Enterprise Rent-A-Car Company of Los Angeles, LLC, et al.*, Case No. 30-2016-00829923-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Judge Thierry Patrick Colaw presiding (approved at an hourly rate of \$425 for work performed in 2016 and 2017); *Nieves v. Ta Chen International, Inc.*, Case No. BC609005, Superior Court of California, County of Los Angeles, Honorable Judge Kenneth R. Freeman presiding (approved at an hourly rate of \$425 for

work performed in 2016 and 2017); *Berkel v. Pride Bakeries, LLC*, Case No. 30-2017-00923148-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Judge William Claster presiding (approved at an hourly rate of \$425 for work performed in 2017 and 2018); *Ruvalcaba Quiroz v. Circle M Contractors, Inc.*, Case No. 30-2016-00885065-CU-OE-CXC, Superior Court of California, County of Orange, Honorable William D. Claster presiding (approving an hourly rate of \$425 for work performed in 2016, 2017 and 2018); *Armenta, et al., v. California Friends Homes d/b/a Quaker Gardens*, Case No. 30-2016-00883282-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Randall J. Sherman presiding (approving an hourly rate of \$425 for work performed in 2016, 2017 and 2018); *Sandra Zinnerman v. Tumbleweed Educational Enterprises, Inc.*, Case No. BC673708, Superior Court of California, County of Los Angeles, Honorable Maren E. Nelson presiding (approving an hourly rate of \$425 for work performed in 2016, 2017, and 2018); *Tina Arellano v. Williams Sonoma Stores, Inc.*, Case No. BC693760, Los Angeles County Superior Court, Honorable Daniel J. Buckley, presiding; *William Cuellar v. UMA Enterprises, Inc.*, Case No. BC657146, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of \$475 for work performed in 2017, 2018 and 2019); *Maria C. Garcia, et al. v. Simplified Labor Staffing Solutions, Inc.*, Case No. BC696898, Los Angeles County Superior Court, Honorable Elihu M. Berle, presiding (approving an hourly rate of \$475 for work performed in 2018 and 2019); *Arturo Delgado v. Spears Manufacturing Co.*, Case No. BC709665, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of \$595 for work performed in 2018, 2019 and 2020); *Soto v. L I Metal Systems*, Case No. 37-2017-00009607-CU-OE-CTL, San Diego County Superior Court, Honorable Timothy Taylor, presiding (approving an hourly rate of \$595 for work performed in 2017-2020); *Michael Fishback v. Paragon Framing, Inc.*, Case No. CIVDS1906610, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of \$595 for work performed in 2019 and 2020); *Francisco Garcia v. Searing Industries, Inc.*, Case No. CIVDS1932477, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of \$595 for work performed in 2019 and 2020); *Ahmad Teeba v. Brill, Inc.*, Case No. CIVDS1923242, San Bernardino County

1 Superior Court, Honorable David Cohn, presiding (approving an hourly rate of \$595 for work
2 performed in 2019-2021); *David Hasler, et al. v. Anheuser-Busch, LLC*, Case No. 19STCV00802,
3 Los Angeles County Superior Court, Honorable Daniel J. Buckley, presiding; and *Angel Ochoa*
4 *v. Fonseca Construction, Inc.*, Case No. CIVDS1928625, San Bernardino County Superior Court,
5 Honorable David Cohn, presiding (approving an hourly rate of \$595 for work performed in 2019
6 to 2021); *William Chang v. Avcorp Composite Fabrication, Inc.*, Case No. BC715159, Los
7 Angeles County Superior Court, Honorable Amy D. Hogue, presiding (approving an hourly rate
8 of \$595 for work performed in 2018 to 2021); *David Alvarado, et al. v. J.G. Boswell Company*,
9 Case No. 19STCV19033, Los Angeles County Superior Court, Honorable Daniel J. Buckley,
10 presiding (approving an hourly rate of \$595 for work performed in 2019 to 2021); *Gaudencio*
11 *Arroyo Reynoso, et al. v. Cream of the Crop Ag Service, Inc.*, Case No. VCU278847, Tulare
12 County Superior Court, Honorable Bret D. Hillman, presiding (approving an hourly rate of \$595
13 for work performed in 2019 to 2022); *Alejandra Parra v. Sixty Collective, LLC*, Case No.
14 19STCV01016, Los Angeles County Superior Court, Honorable Carolyn B. Kuhl, presiding
15 (approving an hourly rate of \$625 for work performed in 2019-2022); *Veronica Gonzalez v.*
16 *Precision Hospitality & Development, LLC*, Case No. 30-2020-01127597-CU-OE-CXC, Orange
17 County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of
18 \$625 for work performed in 2020-2021); *David Montalvo v. Warehouse Services No. 4 LLC*, Case
19 No. CIVDS1931568, San Bernardino County Superior Court, Honorable David Cohn, presiding
20 (approving an hourly rate of \$625 for work performed in 2019-2022); *Steve Qawas v. Socal*
21 *Framing, Inc.*, Case No. RIC1902588, Riverside County Superior Court, Honorable Sunshin S.
22 Sykes, presiding (approving an hourly rate of \$650 for work performed in 2019-2022); *Jessica*
23 *Burrola v. Trademark Cosmetics, Inc.*, Case No. RIC2002311, Riverside County Superior Court,
24 Honorable Sunshine S. Sykes, presiding (approving an hourly rate of \$650 for work performed in
25 2020-2022); *Elmy Calderon v. Personnel Staffing Group, LLC*, Case No. VCU278910, Tulare
26 County Superior Court, Honorable David C. Mathias, presiding (approving an hourly rate of \$650
27 for work performed in 2019-2022); *Santos Orellana v. Smarte Carte, Inc.*, Case No.
28 20STCV08890, Los Angeles County Superior Court, Honorable Yvette M. Palazuelos, presiding

(approving an hourly rate of \$650 for work performed in 2020-2022); *Luis Montanez v. MEI Rigging & Crating, LLC, et al.*, Case No. 21STCV04062, Los Angeles County Superior Court, Honorable Carolyn B. Kuhl, presiding (approving an hourly rate of \$650 for work performed in 2021-2022); *Ketema Nelson v. Santini Foods, Inc.*, Case No. RG21090890, Alameda County Superior Court, Honorable Evelio Grillo, presiding (approving an hourly rate of \$650 for work performed in 2021-2022); *Edward Salgado v. S.R. Bray LLC, dba Power Plus!, et al.*, Case No. 30-2020-01172134-CU-OE-CXC, Orange County Superior Court, Honorable Lon F. Hurwitz, presiding (approving an hourly rate of \$725 for work performed in 2020-2023); *Santiago Gutierrez v. M.M.C.L., Inc. dba California Landcare*, Case No. 30-2021-01182371-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of \$725 for work performed in 2021-2023); *Robert Lewis v. IMERYS Filtration Minerals, Inc., et al.*, Case No. 22CV02874, Santa Barbara County Superior Court, Honorable Jed Beebe, presiding (approving an hourly rate of \$725 for work performed in 2021-2023); *Danica N. Keich, et al., v. U.S. Healthworks, Inc., et al.*, Case No. 37-2017-00015343-CU-OE-CTL, San Diego County Superior Court, Honorable Eddie C. Sturgeon, presiding (approving an hourly rate of \$725 for work performed in 2021-2023); *Gerardo Sanchez v. Dutton Home Services, LLC*, Case No. 22STCV01834, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of \$725 for work performed in 2022-2023); and *Roberto Arcos, et al. v. Panoramic Doors, LLC*, Case No. 37-2021-00048823-CU-OE-CTL, San Diego County Superior Court, Honorable Loren G. Freestone, presiding (approving an hourly rate of \$750 for work performed in 2021-2023). In March 2023, I served as trial counsel for the plaintiff and the aggrieved employees in the matter of *Abraham Taduran v. James R. Glidewell, Dental Ceramics, Inc. dba Glidewell Laboratories*, Case No. 30-2017-00934037-CU-OE-CXC, Orange County Superior Court, Honorable William Claster presiding, which was a case brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, that resulted in a six-figure verdict in favor of the aggrieved employees.

5. I have also moved to certify and have received an order certifying a class action and/or conditionally certifying a collective action as Class Counsel in the following cases:

- 1 • *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-CU-OE-
2 CXC, California Superior Court, County of Orange, Honorable Judge Gail A. Andler
3 presiding (certifying a class of employees who were misclassified as independent
4 contractors);
- 5 • *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx), United
6 States District Court, Central District of California, Honorable Judge Beverly Reid
7 O’Connell presiding (conditionally certifying an unpaid FLSA overtime wage class);
- 8 • *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States
9 District Court, Central District of California, Honorable Judge John F. Walter presiding
10 (certifying a rest period violation class and conditionally certifying a FLSA unpaid
11 overtime wage class);
- 12 • *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court,
13 Northern District of California, Honorable Judge Haywood S. Gilliam, Jr. presiding
14 (conditionally certifying an unpaid FLSA overtime wage class);
- 15 • *Vega v. Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States
16 District Court, Eastern District of California, Honorable Judge Jennifer L. Thurston
17 presiding (conditionally certifying an unpaid FLSA overtime wage class);
- 18 • *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC,
19 California Superior Court, County of Orange, Honorable Judge William Claster presiding
20 (certifying unpaid overtime wage class and waiting time penalty class);
- 21 • *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-00775372-CU-OE-CXC,
22 California Superior Court, County of Orange, Honorable Judge Glenda Sanders presiding
23 (certifying five separate classes for claims for unpaid wages, unreimbursed expenses,
24 failure to authorize and permit rest periods, and derivative claims);
- 25 • *Ontiveros v. Safelite Fulfillment, Inc., et al*, Case No. CV 15-7118-DMG (RAOx), United
26 States District Court, Central District of California, Honorable Dolly M. Gee presiding
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(certifying six classes of employees for rest period violations, wage statement violations, meal period violations, and overtime and double-time violations);

- *Staublein v. Wells Fargo Bank, National Association*, Case No. CIVDS1712267, San Bernardino Superior Court, Honorable David Cohn presiding (certifying a wage statement class);
- *Danica N. Keich, et al. v. U.S. Healthworks, Inc., et al.*, Case No. 37-2017-00015343-CU-OE-CTL, San Diego County Superior Court, Honorable Eddie C. Sturgeon, presiding (certifying classes for rest period violations, meal period violations, on-call pay violations, wage statement violations, and waiting time violations);
- *George Gomez v. The Bedrock Company*, Case No. CIVDS1824255, San Bernardino County Superior Court, Honorable David Cohn, presiding (certifying claims for unpaid overtime and minimum wage violations, meal period violations, rest period violations, wage statement violations, and waiting time penalties); and
- *Aurora Gatica v. Valley Ag, Inc. et al.*, Case No. 19CECG03018, Fresno County Superior Court, Honorable Tyler D. Tharpe, presiding (certifying claims for meal period violations, unpaid rest period violations, wage statement violations, and waiting time penalties).

6. In each year from 2018 through 2023, Thomson Reuters and Los Angeles Magazine recognized me as a Top Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. This is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in Southern California each year.

7. As counsel for Plaintiff, I have been intimately involved in all aspects of this litigation from its inception and believe that the proposed Settlement is a fair and reasonable result for the Class Members.

8. Defendant KPS Global, LLC (“Defendant”) manufactures and installs insulated panel systems, aftermarket parts, and replacement equipment along with custom walk-in coolers, walk-in freezers and industrial cold storage applications in San Dimas, California. Plaintiff was employed by Defendant as a non-exempt “Assembler” and “Machine Operator” from approximately May 2017 until approximately December 2021.

1 9. On June 15, 2022, Plaintiff filed the initial Complaint in this action, alleging
2 Defendant failed to: (i) pay all overtime wages; (ii) pay all minimum wages; (iii) provide all meal
3 periods; (iv) authorize and permit all rest periods; (v) provide accurate, itemized wage statements;
4 (vi) timely pay all final wages upon separation of employment; and (vii) comply with California's
5 Unfair Competition law. On August 22, 2022, Plaintiff filed the operative First Amended
6 Complaint ("FAC"), adding a cause of action for civil penalties under PAGA.

7 10. Plaintiff asserts that Defendant paid Class Members non-discretionary incentive
8 pay, but failed to correctly include the value of the incentive pay when calculating the employees'
9 respective regular rates of pay for overtime purposes, which resulted in Defendant underpaying
10 Plaintiff and the Class Members for earned wages earned during the Class Period. Specifically,
11 Plaintiff alleges that Defendant rewarded Plaintiff and other Class Members with safety and
12 attendance bonuses as well as an additional bonus when the plant reached a specific efficiency
13 target for the month (these bonuses are referred to collectively as "Incentive Pay"). Plaintiff's
14 expert confirmed that Defendant did not accurately incorporate this Incentive Pay into the Class
15 Members' regular rate of pay when computing overtime. Plaintiff's expert reviewed the
16 timekeeping and payroll data and determined the Class Members were underpaid an aggregate
17 amount of \$64,199 in overtime wages due to Defendant's failure to include the value of these
18 bonuses in the regular rate of pay when computing overtime wages. Plaintiff discounted the
19 maximum exposure by 25% for the risk of non-certification and 25% for the risk of being
20 unsuccessful on the merits, to arrive at an estimated exposure of \$36,112.

21 11. Defendant contends that the Incentive Pay payments were completely
22 discretionary and were based on various and changing criteria. As a result, Defendant asserts that
23 this claim is unmanageable, as it requires individualized inquiries into each payment to determine
24 the terms by which each bonus could be earned, whether each employee met those terms, whether
25 the communication of the bonus to employees meets the criteria necessary for a non-discretionary
26 payment, and whether there was actually any underpayment of overtime on any given week due
27 to the bonus. Each of these steps would result in an unmanageable series of mini-trials.

1 12. Plaintiff asserts that Defendant is also liable for meal period premium wages due
2 to its failure to provide uninterrupted, 30-minute meal periods commencing before the end of the
3 fifth hour of work. Plaintiff also alleges Defendant failed to provide second meal periods on shifts
4 over 10.0 hours. Due to the time-sensitive nature of working with adhesives, Plaintiff and other
5 employees were regularly unable to stop their work and take a meal period prior to the glue setting
6 and becoming unusable. Instead, Plaintiff and other employees were expected to either clock out
7 and continue working through part of their meal period, eat lunch later in the afternoon, or forego
8 a meal period altogether depending on the workload and materials being used. Based on Plaintiff's
9 expert's analysis of Defendant's records, and giving credit for meal period premiums already
10 paid, Plaintiff calculated Defendant's potential exposure for meal periods at \$1,276,592 (36,546
11 first meal violations + 26,155 second meal violations x \$20.36 average meal premium). Plaintiff
12 discounted Defendant's maximum exposure by 50% for the risk of non-certification and 50% for
13 the risk of being unsuccessful on the merits or obtaining reduced damages, to arrive at an
14 estimated exposure of \$319,148.

15 13. Defendant argues it maintains a legally-compliant written meal period policy, that
16 it has always provided meal periods consistent with that policy, and that it is only required to
17 "provide" the opportunity to take meal periods, not "ensure" meal periods are taken. Defendant
18 further maintains that any meal period violations reflected in timekeeping records were the result
19 of employee choice, not Defendant's policies, thereby precluding liability. Defendant further
20 contends that employees validly waived second meal periods on shifts over 10 hours. Defendant
21 also argues individualized inquiries will be required to determine why meal periods are late, short,
22 or missed, whether there was a valid waiver, and whether a premium was paid on each such shift,
23 thereby precluding class certification of this claim.

24 14. Plaintiff alleges Defendant failed to authorize and permit all rest periods
25 throughout the workday due to the reality of working with adhesives and other time-sensitive
26 materials. Plaintiff contends that employees were regularly required to delay or forego their rest
27 periods so as to ensure that materials were not wasted (by setting incorrectly). Plaintiff maintains
28 that Defendant's practice violates California law, which requires employers to authorize and

1 permit rest periods for every four hours worked, or major fraction thereof. Additionally, Plaintiff
2 contends that, even in instances where a 10 minute rest period was authorized, employees were
3 not permitted to leave the facility, a violation of California law. Restricting employees to the
4 company premises — i.e., controlling where an employee must physically spend his or her rest
5 period — is a form of employer control, just as the California Supreme Court in *Brinker* found
6 that an employer impermissibly exerts control over an employee during a meal period when it
7 restricts the employee to the employer’s premises. Plaintiff’s expert’s review of the payroll data
8 reveals that there were 105,552 shifts worked in excess of 3.5 hours. Given Plaintiff’s contention
9 that Class Members were not permitted to leave the facility during breaks, Plaintiff determined
10 that every shift in excess of 3.5 hours would incur a rest period violation. Plaintiff therefore
11 calculated Defendant’s potential exposure for rest periods at \$2,149,039 (105,552 shifts x \$20.36
12 average premium). Plaintiff discounted Defendant’s maximum exposure by 75% for risk of non-
13 certification and 50% for risk of being unsuccessful on the merits, to arrive at an estimated
14 exposure of \$268,630.

15 15. Defendant argues it maintains a facially compliant written rest period policy, and
16 that it has always authorized and permitted rest periods in compliance with that policy. Defendant
17 also denies that it has a policy requiring employees to remain inside the facility during rest
18 periods. As a result, Defendant argues the rest period claim is not amenable to class treatment, as
19 individual inquiries would be required to determine whether the employee was authorized to take
20 rest periods on each particular shift based on their schedule, resulting in an unmanageable series
21 of mini-trials. This manageability concern is especially present for the rest period claim as rest
22 periods are not recorded.

23 16. As a result of these alleged substantive violations, Plaintiff contends that
24 Defendant is liable for derivate wage statement violations, waiting time penalties and civil
25 penalties under the PAGA. Defendant argues that the alleged wage statement violations were not
26 “knowing and intentional,” and that Plaintiff could not show he “suffer[ed] injury,” as required
27 by Labor Code § 226(e) for imposition of penalties. Defendant further contends that it possesses
28 strong, good faith defense to Plaintiff’s underlying claims, thus precluding recovery of waiting

time penalties (which are only available for the “willful” failure to pay wages). Defendant also maintains that, given its good-faith defenses, this Court would exercise its discretion to substantially reduce any PAGA penalties if it were to find Defendant liable for any of Plaintiff’s underlying claims.

17. Based on the data provided by Defendant for mediation, 248 employees received 7,900 wage statements during the 1-year time period associated with wage statement penalties. Plaintiff therefore calculated Defendant’s maximum wage statement exposure at \$777,600 (248 “initial” violations x \$50 + 7,652 “subsequent” violations x \$100). Plaintiff discounted the value of this claim by 25% for the risk of non-certification of the underlying claims and discounted 50% for a risk of being unsuccessful on the merits, for an estimated exposure of \$291,600.

18. Based on the data provided by Defendant for mediation, 237 employees separated their employment with Defendant during the 3-year time period associated with waiting time penalties. Plaintiff therefore calculated Defendant’s maximum waiting time penalty exposure at \$1,158,077 (237 former employees x \$20.36 average hourly rate x 8 hours per day x 30 days). Plaintiff discounted the value of this claim by 50% for the risk of non-certification of the underlying claims, and 75% for a risk of being unsuccessful on the merits (including a failure to establish wilfulness), for an estimated recovery on this claim of \$144,760.

19. Assuming that Plaintiff could prove at least one underlying Labor Code violation in each pay period within the PAGA Period, Plaintiff calculates Defendant’s maximum PAGA exposure at \$790,000 (7,900 pay periods at \$100 per violation). Plaintiff discounted the maximum figure by 25% for the risk of the scope of the PAGA claim being narrowed due to manageability concerns and an additional 75% to account for the likelihood of this Court reducing penalties, to arrive at an estimated exposure of \$148,125.

20. Using these estimated figures for each of the claims described above, Plaintiff predicts that a projected potential recovery for the Settlement Class would be approximately \$1,208,374.44. The Gross Settlement Amount of \$995,000.00 represents approximately 82.34% of Plaintiff’s projected potential recovery, while avoiding the further expense and risk of proceeding towards class certification and trial.

1 21. In connection with mediation, but prior to formal written discovery, Defendant
2 provided Plaintiff with timekeeping and payroll records for putative class members who worked
3 any of the representative 14-month sampling of the Class Period (25% of the total months at the
4 time). The months selected by Plaintiff include July 2018, November 2018, February 2019, March
5 2019, August 2019, December 2019, April 2020, September 2020, January 2021, May 2021,
6 September 2021, February 2022, June 2022, and October 2022. Plaintiff worked with his expert
7 to ensure that each month was represented in the sample and that the sampling included an equal
8 proportion of calendar years in the Class Period. Plaintiff submits that this methodology was
9 sufficiently randomized and resulted in a statistically significant sample upon which Plaintiff's
10 calculations could be reliably based. Defendant also provided the employee handbook and other
11 relevant policies, including bonus policies, in effect during the Class Period. Plaintiff, with the
12 help of his expert who holds a Ph.D. in economics, conducted an analysis of this data and created
13 a comprehensive damages model to calculate the likely exposure that Defendant faced on each
14 claim.

15 22. On March 2, 2023, the Parties participated in a mediation with Jeffrey Krivis, Esq.,
16 a highly respected wage and hour class action mediator. During mediation, the Parties exchanged
17 divergent views on Defendant's liability and exposure valuations, their legal positions, and the
18 likelihood of certification of Plaintiff's claims. With the help of Mr. Krivis, the Parties ultimately
19 reached a class-wide settlement at the conclusion of mediation. Over the following months, the
20 Parties negotiated and executed the Settlement now before the Court for preliminary approval. A
21 true and correct copy of the Class Action and PAGA Settlement Agreement ("Settlement
22 Agreement") (based off of this Court's model agreement of the same name) is attached hereto as
23 **Exhibit 1**. A true and correct copy of the proposed Notice of Proposed Class Action Settlement
24 ("Class Notice") is attached as Exhibit A to the Settlement Agreement.

25 23. If the Court preliminarily approves this settlement, Defendant will pay a Gross
26 Settlement Amount of \$995,000.00. This Settlement is non-reversionary and Settlement Class
27 members will automatically receive their Individual Settlement Payment unless they affirmatively
28 opt-out of the Settlement. Defendant's records indicate that there are approximately 350

1 Settlement Class members who worked during the Class Period. Based on the allocations of the
2 Net Settlement Amount, participating employees will receive, on average, a payment of
3 approximately \$1,664.52.

4 24. As part of the Settlement, Plaintiff will apply for a service payment at the time of
5 seeking final approval of the Settlement in the total amount of \$5,000.00 for his service to the
6 Settlement Class and his general release of all claims (known or unknown) against Defendant.
7 Some of the activities Plaintiff completed in order to help procedure the Settlement include
8 providing factual information and documents to my firm, identifying potential witnesses,
9 participating in multiple meetings with attorneys from my firm to discuss the claims and theories
10 at issue in the litigation, and making himself available the entire day of mediation. Additionally,
11 Plaintiff undertook significant risks by agreeing to serve as the named plaintiff in this case (as
12 potential employers can now search his name and determine he has previously sued an employer),
13 as well as the fact that Plaintiff agreed to a general release of all claims subject to a waiver of
14 California Civil Code § 1542.

15 25. My firm will also apply for an attorneys' fee award of \$331,666.67 (one-third of
16 the Gross Settlement Amount), and up to \$30,000.00 in verified costs. My firm incurred
17 substantial attorneys' fees conducting pre-filing investigation, retaining an expert and analyzing
18 Plaintiff's claims, conducting legal research and analysis, reviewing documents and data
19 produced by Defendant, building a comprehensive damages model, preparing for and attending
20 mediation, negotiating and preparing the long-form Settlement Agreement, preparing this motion
21 for preliminary approval, and otherwise litigating the case. My firm will also expend future
22 attorney time in attending the hearing on this Motion, overseeing the Notice process, drafting the
23 final approval motion and supporting documents, and attending the final approval hearing, among
24 other tasks.

25 26. The Parties have agreed to designate Legal Aid Foundation of Los Angeles
26 ("LAFLA"), a 501(c)(3) organization, as they cy pres recipient of uncashed funds in this case.
27 The Parties submit that this designation complies with Code of Civil Procedure § 384 because
28 LAFLA is a nonprofit organization dedicated to providing civil legal services to the indigent

1 population of Los Angeles (<https://lafla.org/who-we-are/>). The Parties will ensure that the Final
2 Order and Judgment following final approval of this Settlement includes language requiring that,
3 following the submission of a final accounting report by the Settlement Administrator, the Parties
4 submit a proposed Amended Judgment that will direct the Settlement Administrator to submit the
5 funds from any uncashed checks to LAFLA, including any interest accrued on said uncashed
6 funds, in compliance with Code of Civil Procedure § 384. Neither Plaintiff nor any member of
7 Plaintiff's counsel's firm have any interest or involvement in the governance or work of LAFLA.

8 27. I confirm that neither my firm nor I have any relationship, financial or otherwise,
9 with the proposed settlement administrator, CPT Group, Inc.

10 28. I confirm that Plaintiff has been provided a written fee split agreement for this
11 matter and has consented to the fee split in writing.

12 29. A true and correct copy of Plaintiff's letter to the LWDA, dated June 15, 2022,
13 which details the PAGA allegations at issue in this lawsuit is attached hereto as **Exhibit 2**.

14 30. In connection with the filing of Plaintiff's motion for preliminary approval, my
15 office provided the LWDA with the Settlement Agreement along with all moving papers. A true
16 and correct copy of the LWDA's submission confirmation is attached hereto as **Exhibit 3**.

17 I declare under penalty of perjury under the laws of California and the United States that
18 the foregoing is true and correct. Executed on January 2, 2024, at El Segundo, California.

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21 Fletcher W. Schmidt
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EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Juan David Arreola Carrillo (“Plaintiff”) and Defendant KPS Global, LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Juan David Arreola Carrillo vs. KPS Global, LLC*, Case No. 22STCV19527 initiated on June 15, 2022, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Settlement Administrator” means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employees” means “all current and former nonexempt employees of Defendant in California who worked at any time between June 15, 2021, and the date of preliminary approval.”
- 1.5. “Class” means “all current and former nonexempt employees of Defendant in California who worked at any time between June 15, 2018, and the date of preliminary approval.”
- 1.6. “Class Counsel” means Paul K. Haines, Fletcher W. Schmidt, Andrew J. Rowbotham, and Susan J. Perez of Haines Law Group, APC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, phone number, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Settlement Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database

(“NCOA”), skip traces, and direct contact by the Administrator with Class Members.

- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period between June 15, 2018, and the date of preliminary approval.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of Los Angeles.
- 1.16. “Defendant” means Defendant KPS Global, LLC.
- 1.17. “Defense Counsel” means Steve L. Hernández and Ryan M. Estes of DLA Piper LLP.
- 1.18. “Effective Date” means the date by when all of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; (b) the Judgment is final; and (c) Defendant deposits the entire Gross Settlement Amount with the Settlement Administrator. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment without material modification and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means \$995,000.00, which is the total amount Defendant agrees to pay under the Settlement except as potentially modified pursuant to Paragraph 9, below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the

Class Period.

- 1.24. “Individual PAGA Payment” means each Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period between June 15, 2021, and the date of preliminary approval.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.33. “PAGA Notice” means Plaintiff’s June 15, 2022, letter to Defendant and the LWDA providing notice pursuant to Labor Code § 2699.3, subd.(a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to LWDA (\$37,500.00) in settlement of PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiff” means Juan David Arreola Carrillo, the named plaintiff in the Action.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 6.3 below.
- 1.41. “Released Parties” means: Defendant, its past and present parent companies, subsidiaries and affiliates, and their respective present and former officers, directors, principals, heirs, stockholders, agents, managers, employees, insurers, co-insurers, reinsurers, attorneys, accountants, auditors, advisors, registered representatives, consultants, consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees, partners, predecessors, successors, assigns, and any other persons acting by, through, under, or in concert with any of them.
- 1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. “Response Deadline” means 60 calendar days after the Settlement Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On June 15, 2022, Plaintiff filed a class action complaint against Defendant in Los Angeles County Superior Court, titled *Juan David Arreola Carrillo v. KPS Global, LLC*, Case No. 22STCV19527 (the “Action”). On August 22, 2022, after Plaintiff exhausted his administrative remedies with the Labor & Workforce Development Agency (“LWDA”), Plaintiff amended his complaint to add a cause of action for civil penalties under the Private Attorneys General Act (“PAGA”). On September 15, 2022, Defendant removed the Action to the United States District Court for the Central District of California (Case No. 2:22-cv-06631 PA-ASx). On October 4, 2022, the Honorable Percy Anderson remanded the Action back to the Los Angeles County Superior Court for lack of subject matter jurisdiction.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On March 2, 2023, the Parties participated in an all-day mediation presided over by Jeffrey Krivis, Esq., which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, timekeeping and

payroll records for putative class members who worked any of the representative 14-month sampling of the Class Period (25% of the total months). Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

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

3. **MONETARY TERMS.**

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$995,000.00 and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$5,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 1/3 of the Gross Settlement Amount, which is currently estimated to be \$331,666.67 and a Class Counsel Litigation Expenses Payment of not more than \$30,000.00. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses

Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$8,250.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than the above stated amount, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 1/3 of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 2/3 of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000.00 to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by: (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their

Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks. Based on a review of its records, Defendant estimates Class Members collectively worked a total of 23,000 Workweeks during the Class Period.
- 4.2. Class Data. Not later than 10 business days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 30 days after the Court enters a Judgment on its Order Granting Final Approval of the Settlement, assuming no objections or appeals. Should an objection or appeal be filed, Defendant will fund the Gross Settlement Amount within 30 days of the Judgment becoming final.
- 4.4. Payments from the Gross Settlement Amount. Within 10 business days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual

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

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to Legal Aid Foundation of Los Angeles, a 501(c)(3) nonprofit, to help provide legal aid services to the indigent population of Los Angeles. After the void date, the Parties will submit a declaration from the Settlement Administrator attesting to the total amount that was actually paid to the class members along with any interest that has accrued thereon. The Parties will concurrently submit an amended Judgment to direct the Settlement Administrator to disburse these amounts to the cy pres in compliance with California Code of Civil Procedure section 384(b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

[PARAGRAPH 5 MISSING IN MODEL]

6. RELEASES OF CLAIMS. As of the Effective Date, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1. Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Action; and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Action, Plaintiff's PAGA Notice, or ascertained during the Action and released under Paragraph 6.2, below. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation entitlement and/or benefits that arose at any time, or based on occurrences outside the Class

Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

- 6.2. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from any and all federal and California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of action, whether known or unknown, arising from or related to any and all claims that were asserted or could have been asserted based on the facts alleged in the Action or Plaintiff's letter to the LWDA dated June 15, 2022, that arose during the Class Period. Except as set forth in Paragraph 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. The time period covered by this release will mirror the Class Period.

- 6.3. Release by Aggrieved Employees: All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, demands, rights, liabilities and causes of action under the PAGA, premised on the facts, claims, causes of action or legal theories pled in the Action (or Plaintiff's letter to the LWDA dated June 15, 2022), or which could have been alleged based on the factual allegations therein, that arose during the PAGA Period. The time period covered by this release will mirror the PAGA Period.

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

- 7.1. Defendant's Declaration in Support of Preliminary Approval. Sufficiently in advance of the deadline to file the Motion for Preliminary Approval, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient (if applicable). In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 7.2. Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and/or the proposed Cy Pres (if applicable); and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator, and/or the proposed Cy Pres (if applicable); (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code § 2699.3, subd. (a)), Operative Complaint (Labor Code § 2699, subd. (l)(1)), this Agreement (Labor Code § 2699, subd. (l)(2)); (vii) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 7.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval as soon as practicable after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 7.4. Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

- 8.1. Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, CPT Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports

state and federal tax authorities.

- 8.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 8.4. Notice to Class Members.
- 8.4.1 As expeditiously as possible after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than 10 business days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation, (if applicable) substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 8.4.3 Not later than 7 days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 8.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 8.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8.5. Requests for Exclusion (Opt-Outs).

8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. Plaintiff agrees to not request exclusion from the Class Settlement.

8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment.

8.6. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The

Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7. Objections to Settlement.

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

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

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

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

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

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 7 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing: (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for

Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

8.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

8.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 7 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Defendant represents that there are an estimated 23,000 Workweeks worked by Class Members during the Class Period. If the number of Workweeks worked during the Class Period is more than 10% greater than this figure (i.e., if there are 25,300 or more Workweeks worked), Defendant agrees to increase the Gross Settlement Amount on a proportional basis for every percent above the 10% (i.e., if there was 11% increase in the number Workweeks worked, Defendant would increase the Gross Settlement Amount by 1%).

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”).

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by

a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

- 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4. Waiver of Right to Appeal. Provided the Judgment is entered following preliminary and final approval pursuant to this Agreement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

- 12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Action have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and

represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's

obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:
- To Plaintiff: Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90265
fschmidt@haineslawgroup.com
- To Defendant: Steve L. Hernández of DLA Piper LLP
550 South Hope Street, Suite 2400, Los Angeles CA 90071
steve.hernandez@dlapiper.com
- 12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.
- 12.20. Enforcement Action. In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

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[SIGNATURES BEGIN ON FOLLOWING PAGE]

DATED: 5/5/2023

KPS GLOBAL, LLC

By: _____

Name: Joe Harvey
Title: CFO

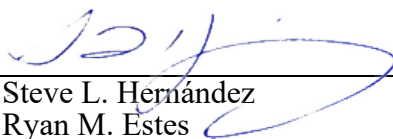
DATED:

PLAINTIFF JUAN DAVID ARREOLA CARRILLO

By: _____
Plaintiff and Settlement Class Representative

DATED: May 10, 2023

DLA PIPER LLP

By: _____
Steve L. Hernández
Ryan M. Estes
Attorneys for Defendant

DATED:

HAINES LAW GROUP, APC

By: _____
Fletcher W. Schmidt
Attorneys for Plaintiff

DATED:

KPS GLOBAL, LLC

By: _____

Name: Joe Harvey
Title: CFO

DATED: May 8, 2023

PLAINTIFF JUAN DAVID ARREOLA CARRILLO

By:  _____
Juan David Arreola Carrillo (May 8, 2023 17:08 PDT)
Plaintiff and Settlement Class Representative

DATED:

DLA PIPER LLP

By: _____
Steve L. Hernández
Ryan M. Estes
Attorneys for Defendant

DATED: May 9, 2023

HAINES LAW GROUP, APC

By:  _____
Fletcher W. Schmidt
Attorneys for Plaintiff

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

Juan David Arreola Carrillo vs. KPS Global, LLC, Los Angeles Superior Court Case No. 22STCV19527

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

This notice is being provided to you in both English and Spanish.

You may be eligible to receive money from a class action lawsuit (“Action”) filed against KPS Global, LLC (“Defendant”) for alleged wage and hour violations. The Action was filed by a former employee of Defendant, Juan David Arreola Carrillo (“Plaintiff”), and seeks payment of unpaid minimum and overtime wages, meal and rest period premium wages, wage statement penalties, and waiting time penalties for Class Members (defined as all current and former nonexempt employees of Defendant in California who worked at any time between June 15, 2018, and <<END OF CLASS PERIOD>> (the “Class Period”)); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Aggrieved Employees (defined as all current and former non-exempt employees of Defendant in California who worked at any time between June 15, 2021, and <<END OF PAGA PERIOD>> (the “PAGA Period”)).

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

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

The above estimates are based on Defendant’s records showing that **you worked <<CLASS WORKWEEKS>> workweeks** during the Class Period and **you worked <<PAGA PAY PERIODS>> pay periods** during the PAGA Period. If you believe that you worked more during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment

that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is <<RESPONSE DEADLINE>>	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by <<RESPONSE DEADLINE>>	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the terms of the Settlement if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on <<FINAL APPROVAL HEARING DATE>>. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by <<RESPONSE DEADLINE>>	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by <<RESPONSE DEADLINE>>. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. In the Action, Plaintiff alleges that Defendant violated California labor laws by failing to pay all overtime wages, minimum wages, and failing to provide meal periods, rest periods, accurate itemized wage statements, and all final pay upon separation of employment. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*). Plaintiff is represented by attorneys in the Action: Paul K. Haines, Fletcher W. Schmidt, Andrew J. Rowbotham, and Susan J. Perez of Haines Law Group, APC (“Class Counsel.”)

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settling the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were

successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

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

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

1. Defendant Will Pay \$995,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$331,666.67 (1/3 of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$30,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$8,250.00 to the Administrator for services administering the Settlement.
 - D. Up to \$50,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court

will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 1/3 of each Individual Class Payment to taxable wages (“Wage Portion”) and 2/3 to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). **If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be disbursed to Legal Aid Foundation of Los Angeles, a 501(c)(3) nonprofit, to help provide legal aid services to the indigent population of Los Angeles.**
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than <<RESPONSE DEADLINE>>, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by <<RESPONSE DEADLINE>>. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It

is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void (Defendant will not pay any money and Class Members will not release any claims against Defendant).

8. Administrator. The Court has appointed a neutral company, CPT Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re- mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Defendant, its past and present parent companies, subsidiaries and affiliates, and their respective present and former officers, directors, principals, heirs, stockholders, agents, managers, employees, insurers, co-insurers, reinsurers, attorneys, accountants, auditors, advisors, registered representatives, consultants, consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees, partners, predecessors, successors, assigns, and any other persons acting by, through, under, or in concert with any of them (“Released Parties”) from any and all federal and California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of action, whether known or unknown, arising from or related to any and all claims that were asserted or could have been asserted based on the facts alleged in the Action or Plaintiff’s letter to the LWDA dated June 15, 2022, that arose during the Class Period. Except as set forth in Paragraph 6.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period. The time period covered by this release will mirror the Class Period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of

the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees will be bound by the following release:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, demands, rights, liabilities and causes of action under the PAGA, premised on the facts, claims, causes of action or legal theories pled in the Action (or Plaintiff's letter to the LWDA dated June 15, 2022), or which could have been alleged based on the factual allegations therein, that arose during the PAGA Period. The time period covered by this release will mirror the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the 25% share of PAGA Penalties (\$12,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until **<<RESPONSE DEADLINE>>** to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. **Section 9** of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to

every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

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

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Juan David Arreola Carrillo vs. KPS Global, LLC*, Los Angeles Superior Court Case No. 22STCV19527, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by <<RESPONSE DEADLINE>>, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 court days before <<FINAL APPROVAL HEARING DATE>> (the Final Approval Hearing), Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website <<ADMIN URL FOR CASE>> or the Court's website (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 22STCV19527.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is <<RESPONSE DEADLINE>>.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection.

Make sure you identify the Action (*Juan David Arreola Carrillo vs. KPS Global, LLC*, Los Angeles Superior Court Case No. 22STCV19527) and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on <<FINAL APPROVAL HEARING DATE>> at <<FINAL APPROVAL HEARING TIME>> in Department 14 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before deciding. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://my.lacourt.org/laccwelcome>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website <<ADMIN URL FOR CASE>> beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website <<ADMIN URL FOR CASE>>. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 22STCV19527. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

HAINES LAW GROUP, APC

Paul K. Haines (phaines@haineslawgroup.com)

Fletcher W. Schmidt (fschmidt@haineslawgroup.com)

Andrew J. Rowbotham (arowbotham@haineslawgroup.com)

Susan J. Perez (sperez@haineslawgroup.com)

2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Settlement Administrator:

CPT Group, Inc.

<<ADMIN INFO>>

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

Please make sure you contact the Settlement Administrator before the void date otherwise your check will be voided and distributed to Legal Aid Foundation of Los Angeles, a 501(c)(3) nonprofit, to help provide legal aid services to the indigent population of Los Angeles.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

EXHIBIT 3