

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement is made by and between Plaintiffs Jordan Coutcher and Rudy Conriquez, as individuals and on behalf of all others similarly situated, and Defendants Lancaster Fitness, LLC, XI Enterprise, Inc., Cerritos Fitness & Health, LLC, Harman Fitness, LLC, Fitness Club Management, LLC, Curtis Harman, and David Harman.

1. DEFINITIONS.

- 1.1. “Actions” means the three civil actions pending in the Superior Court of the State of California, County of Los Angeles, titled *Jordan Coutcher, individually and on behalf of all others similarly situated, vs. Harman Fitness, LLC, et al.*, LASC Case No. 22STCV18360, consolidated with *Jordan Coutcher, individually and on behalf of all others similarly situated, vs. Canoga Park Fitness, LLC, et al.*, LASC Case No. 22STCV18386; and *Rudy Conriquez, individually and on behalf of all others similarly situated, vs. Cerritos Fitness & Health, LLC, et al.*, LASC Case No. 24STCV25107.
- 1.2. “Address Search” means the Administrator’s investigation and search for current Class Member or Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members or Aggrieved Employees.
- 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. “Administrator” means the ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.5. “Aggregate Class Fund” means the amount available for allocation between the Lancaster/Palmdale Class Allocation and the Cerritos Class Allocation before deduction of the PAGA Penalties, equal to Gross Settlement Amount less the following payments in the amounts approved by the Court: Class Representatives Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment.
- 1.6. “Aggrieved Employee” means a person who worked for Defendant Lancaster Fitness, LLC and/or Defendant XI Enterprise, Inc. as a non-exempt employee in California during the PAGA Period.
- 1.7. “Cerritos Participating Class Members” means all Participating Class Members who worked for Defendant Cerritos Fitness & Health, LLC during the Conriquez Class Period.
- 1.8. “Cerritos Workweeks” means the total number of Workweeks worked by all Cerritos Participating Class Members during the Conriquez Class Period.
- 1.9. “Class” means all persons who worked for Defendants Lancaster Fitness, LLC and/or XI Enterprise, Inc. as a non-exempt employee in California during the Coutcher Class Period, and all persons who worked for Defendant Cerritos Fitness & Health, LLC as a non-exempt employee in California during the Conriquez Class Period.
- 1.10. “Class Counsel” means Keith A. Custis and Custis Law, P.C.

- 1.11. “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 Actions.
- 1.12. “Class Data” means Class Member identifying information in one or more of the Corporate Defendants’ possession including the Class Member’s legal name, last-known mailing address, Social Security number, whether the Class Member worked for Defendants Lancaster Fitness, LLC and/or XI Enterprise, Inc. or whether the Class Member worked for Defendant Cerritos Fitness & Health, LLC, and number of Workweeks—e.g., Lancaster/Palmdale Workweeks or Cerritos Workweeks—and PAGA Pay Periods attributable to each such Class Member.
- 1.13. “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).
- 1.14. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in two forms, without material variation except as otherwise ordered by the Court, each incorporated by reference into this Agreement: (a) the notice to be mailed to Class Members who worked for Defendants Lancaster Fitness, LLC and/or XI Enterprise, Inc. during the Coutcher Class Period, attached as Exhibit A (the “Lancaster/Palmdale Class Notice”); and (b) the notice to be mailed to Class Members who worked for Defendant Cerritos Fitness & Health, LLC during the Conriquez Class Period, attached as Exhibit B (the “Cerritos Class Notice”). Unless the context requires otherwise, references in this Agreement to the “Class Notice” mean, as to any Class Member, the form of Class Notice applicable to that Class Member.
- 1.15. “Class Representatives” or “Plaintiffs” means Jordan Coutcher and Rudy Conriquez, the named plaintiffs in the operative complaints in the Actions seeking Court approval to serve as a class representative.
- 1.16. “Class Representatives Service Payment” means the payments to each of the Class Representatives for initiating the Actions and providing services in support of the Actions.
- 1.17. “Conriquez Class Period” means the period from September 26, 2020 to April 12, 2026.
- 1.18. “Corporate Defendants” means Lancaster Fitness, LLC, XI Enterprise, Inc., Cerritos Fitness & Health, LLC, Harman Fitness, LLC, and Fitness Club Management, LLC, collectively.
- 1.19. “Court” means the Superior Court of California, County of Los Angeles.
- 1.20. “Coutcher Class Period” means the period from June 3, 2018 to April 12, 2026.
- 1.21. “Defendants” means the Corporate Defendants, Curtis Harman, and David Harman, collectively, the named defendants in the Actions.
- 1.22. “Defense Counsel” means Jackson Lewis, P.C.
- 1.23. “Effective Date” means the date on which the Judgment becomes final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members or a third party objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) 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.

- 1.24. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.25. “Final Approval Hearing” means the Court’s hearing on the Plaintiffs’ motion for final approval of the Settlement.
- 1.26. “Gross Settlement Amount” means the amount of NINE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$900,000.00), which is the total amount Defendants agree to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, PAGA Penalties, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representatives Service Payments, and Administration Expenses Payment. The Gross Settlement Amount does not include the employer’s share of payroll taxes on the portion of the Aggregate Class Fund paid to Participating Class Members and allocated to wages, which Defendants shall pay separately from the Gross Settlement Amount.
- 1.27. “Individual Class Payment” means a Participating Class Member’s *pro rata* share of the Aggregate Class Fund, calculated as described in Paragraph 3.2.4, based on the Participating Class Member’s applicable Lancaster/Palmdale Workweeks or Cerritos Workweeks.
- 1.28. “Individual PAGA Payment” means an Aggrieved Employee’s *pro rata* share of the 25% share of PAGA Penalties, calculated pursuant to Paragraph 3.2.6 based on the Aggrieved Employee’s applicable PAGA Pay Periods.
- 1.29. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.30. “Lancaster/Palmdale Participating Class Members” means all Participating Class Members who worked for Defendants Lancaster Fitness, LLC and/or XI Enterprise, Inc. during the Coutcher Class Period.
- 1.31. “Lancaster/Palmdale Workweeks” means the total number of Workweeks worked by all Lancaster/Palmdale Participating Class Members during the Coutcher Class Period.
- 1.32. “LWDA” means the California Labor and Workforce Development Agency.
- 1.33. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.34. “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. A Non-Participating Class Member who is also an Aggrieved Employee will be bound by the release of PAGA claims as described in Paragraph 5.4 below.
- 1.35. “Non-Wage Portion” means the percentage of each Participating Class Member’s Individual Class Payment that will be allocated to settlement of claims for interest and penalties.
- 1.36. “Operative Complaints” means collectively the Operative Coutcher Complaint and the Operative Conriquez Complaint.
- 1.37. “Operative Coutcher Complaint” means the consolidated class action complaint that was filed on behalf of Plaintiff Coutcher in LASC Case No. 22STCV18360.

- 1.38. “Operative Conriquez Complaint” means the class action complaint that was filed on behalf of Plaintiff Conriquez in LASC Case No. 24STCV25107.
- 1.39. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants Lancaster Fitness, LLC and/or XI Enterprise, Inc. for at least one day during the PAGA Period.
- 1.40. “PAGA” means the Labor Code Private Attorneys General Act of 2004 (Lab. Code §§ 2698, *et seq.*).
- 1.41. “PAGA Notice” means Plaintiffs’ June 6, 2022 letter to Defendants Lancaster Fitness, LLC, XI Enterprise, Inc., Harman Fitness, LLC, Fitness Club Management, LLC, Curtis Harman, and David Harman; and other defendants that have since been dismissed, and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.42. “PAGA Penalties” means the total amount of civil penalties to be paid pursuant to the PAGA from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.
- 1.43. “PAGA Period” means the period from June 6, 2021 to April 12, 2026.
- 1.44. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.45. “Party” or “Parties” as used herein shall refer to Plaintiffs, Defendants, or all nine of them, as may be appropriate.
- 1.46. “Plaintiff Coutcher” means Plaintiff Jordan Coutcher.
- 1.47. “Plaintiff Conriquez” means Plaintiff Rudy Conriquez.
- 1.48. “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.
- 1.49. “Released Class Claims” means the claims being released as described in Paragraphs 5.2 and 5.3 below.
- 1.50. “Released PAGA Claims” means the claims being released as described in Paragraph 5.4 below.
- 1.51. “Released Plaintiffs’ Claims” means the claims being released as described in Paragraph 5.1 below.
- 1.52. “Released Parties” means the Corporate Defendants and their past and present direct or indirect parent organizations, subsidiaries, divisions, affiliated entities, and their partners, officers, directors, trustees, administrators, fiduciaries, employment benefit plans, or pension plans or funds, executors, attorneys (including, but not limited to, Defense Counsel), employees, insurers, reinsurers, or agents and their successors and assigns individually and in their official capacities; and individual defendants Curtis Harman, and David Harman.
- 1.53. “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.
- 1.54. “Response Deadline” means 60 days after the Administrator mails the Class Notice and shall be the last date on which Class Members may: (a) fax, email, or mail a Request for Exclusion, (b) fax, email, or mail objections to the Settlement, or (c) fax, email, or mail a

challenge to the number of Workweeks allocated to the Class Member in the Class Notice. A Class Member to whom Class Notice is re-sent after having been returned undeliverable to the Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline.

- 1.55. “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.
- 1.56. “Total Workweeks” means the sum of the Lancaster/Palmdale Workweeks and the Cerritos Workweeks.
- 1.57. “Wage Portion” means the percentage of each Participating Class Member’s Individual Class Payment that will be allocated to settlement of wage claims.
- 1.58. “Workweek” means any week during which a Coutcher Participating Class Member employed by either Defendants Lancaster Fitness, LLC and/or XI Enterprise, Inc. worked for at least one day during the Coutcher Class Period, or any week during which a Conriquez Participating Class Member employed by Defendant Cerritos Fitness & Health, LLC worked for at least one day during the Conriquez Class Period.

2. RECITALS.

- 2.1. On June 3, 2022, Plaintiff Coutcher filed an initial class action complaint in Case No. 22STCV18360 against Defendants XI Enterprise, Inc., Harman Fitness, LLC, Fitness Club Management, LLC, Curtis Harman, and David Harman; and other defendants that have since been dismissed. In the original class action complaint, Plaintiff Coutcher alleged various wage and hour claims based on violations of the California Labor Code and Business and Professions Code.
- 2.2. On June 3, 2022, Plaintiff Coutcher filed a second initial class action complaint in Case No. 22STCV18386 against Defendants Lancaster Fitness, LLC, Harman Fitness, LLC, Fitness Club Management, LLC, Curtis Harman, and David Harman; and other defendants that have since been dismissed. In the original class action complaint, Plaintiff Coutcher alleged various wage and hour claims based on violations of the California Labor Code and California Business and Professions Code.
- 2.3. On June 6, 2022, pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff Coutcher gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.4. On October 3, 2022, Plaintiff Coutcher filed a first amended class action complaint in Case No. 22STCV18360, adding a cause of action for alleged violations of the PAGA.
- 2.5. On November 18, 2022, the Court ordered Case No. 22STCV18360 and Case No. 22STCV18386 related and deemed Case No. 22STCV18360 the lead action.
- 2.6. On February 9, 2024, the Court consolidated Case No. 22STCV18360 and Case No. 22STCV18386.
- 2.7. On February 16, 2024, Plaintiff Coutcher filed a consolidated class action complaint in Case No. 22STCV18360 against Defendants Lancaster Fitness, LLC, XI Enterprise, Inc., Harman Fitness, LLC, Fitness Club Management, LLC, Curtis Harman, and David Harman; and other defendants that have since been dismissed. By the operative consolidated class action complaint, Plaintiff Coutcher alleges ten causes of action: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide rest periods; (4) failure to provide meal periods; (5) failure to reimburse business expenses; (6) failure to provide accurate wage

statements; (7) failure to pay wages timely during employment; (8) failure to pay wages timely at separation; (9) violations of the Unfair Competition Law; and (10) violations of the PAGA. The consolidated class action complaint in Case No. 22STCV18360 is the operative complaint in the actions filed on behalf of Plaintiff Coutcher. Defendants deny the allegations in the operative complaint in actions filed on behalf of Plaintiff Coutcher, deny any failure to comply with the laws identified in the operative complaint in actions filed on behalf of Plaintiff Coutcher, and deny any and all liability for the causes of action alleged therein.

2.8. On September 26, 2024, Plaintiff Conriquez filed a class action complaint in Case No. 24STCV25107 against Defendants Cerritos Fitness & Health, LLC, Fitness Club Management, LLC, Curtis Harman, and David Harman. In the class action complaint, Plaintiff Conriquez alleges ten causes of action: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide rest periods; (4) failure to provide meal periods; (5) failure to reimburse business expenses; (6) failure to provide accurate wage statements; (7) failure to pay wages timely during employment; (8) failure to pay wages timely at separation; and (9) violations of the Unfair Competition Law. The class action complaint in Case No. 24STCV25107 is the operative complaint in the action filed on behalf of Plaintiff Conriquez. Defendants Cerritos Fitness & Health, LLC, Fitness Club Management, LLC, Curtis Harman, and David Harman deny the allegations in the operative complaint in the action filed on behalf of Plaintiff Conriquez, denies any failure to comply with the laws identified in the operative complaint in the action filed on behalf of Plaintiff Conriquez, and deny any and all liability for the causes of action alleged therein.

2.9. On February 11, 2026, the Parties participated in a full-day mediation with Steven Serratore, Esq., a well-respected mediator with considerable experience mediating wage and hour class actions. After reaching an impasse, Mr. Serratore made a “mediator’s proposal” that all Parties accepted. The Parties thereafter negotiated additional settlement details and executed this Agreement.

2.10. Before mediation, Plaintiffs obtained, through both formal and informal discovery, written discovery responses and more than 1,300 pages of documents, spreadsheets, class data, payroll and timekeeping information, and other information bearing on liability, class certification, damages, penalties, and Defendants’ defenses. Plaintiff Coutcher and certain Defendants also engaged in the Belaire-West notice; Plaintiffs obtained contact information for 298 putative class members, and surveyed those class members, receiving 82 responses. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-30 (“*Dunk/Kullar*”).

2.11. On March 18, 2026, the Court consolidated Case No. 22STCV18360 (previously consolidated with Case No. 22STCV18386) and Case No. 24STCV25107 for settlement purposes only.

2.12. The Court has not granted class certification in any of the Actions.

2.13. The Parties, Class Counsel and Defense Counsel represent 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. The Defendants promise to pay the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments. The Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated in Paragraph 4.2 below. 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 Defendants.

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

3.2.1. To Plaintiffs: Class Representatives Service Payment of not more than TEN THOUSAND DOLLARS AND ZERO CENTS (\$10,000.00) for Plaintiff Coutcher; and not more than FIVE THOUSAND DOLLARS AND ZERO CENTS (\$5,000.00) for Plaintiff Conriquez (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives may be entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiffs' request for a Class Representative Service Payment to each Plaintiff that does not exceed the aforementioned amounts. As part of the Motion for Final Approval, Plaintiffs will seek Court approval for the Class Representatives Service Payment. If the Court approves a Class Representatives Service Payment less than the amount requested, the Administrator will retain the remainder in the Aggregate Class Fund. The Administrator will pay the Class Representatives Service Payment using IRS Form 1099s. Each of the Plaintiffs assumes full responsibility and liability for employee taxes owed on the Class Representatives Service Payment paid to them pursuant to this Agreement.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33.33%, which is currently estimated to be TWO HUNDRED AND NINETY-NINE THOUSAND, NINE HUNDRED, SEVENTY DOLLARS AND ZERO CENTS (\$299,970), and a Class Counsel Litigation Expenses Payment of not more than THIRTY-FOUR THOUSAND DOLLARS AND ZERO CENTS (\$34,000.00). Defendants will not oppose requests for these payments provided they do not exceed these amounts. As part of the Motion for Final Approval, Plaintiffs or Class Counsel may seek Court approval of a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. In support of the Class Counsel Litigation Expenses Payment, Class Counsel must submit a cost ledger listing each expense incurred during the Actions. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Aggregate Class Fund. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS Form 1099s. 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 the Released Parties harmless, and agrees to indemnify any of the Released Parties, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed TEN THOUSAND DOLLARS AND ZERO CENTS (\$10,000.00), except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less than or the Court approves payment less than the amount requested, the Administrator will retain the remainder in the Aggregate Class Fund.

3.2.4. To Each Participating Class Member:

3.2.4.1. An Individual Class Payment, which the Administrator shall calculate as set forth in this Paragraph 3.2.4.

3.2.4.2. The Administrator shall calculate Individual Class Payments as follows:

- 3.2.4.2.1. Allocation Between Locations (before deduction of the PAGA Penalties). Before deducting the PAGA Penalties, the Administrator shall allocate the Aggregate Class Fund between the two groups of Participating Class Members in proportion to their respective Workweeks, as follows:
- 3.2.4.2.2. (i) the portion allocated to the Lancaster/Palmdale Participating Class Members (the "Lancaster/Palmdale Class Allocation") shall equal the Aggregate Class Fund multiplied by a fraction, the numerator of which is the Lancaster/Palmdale Workweeks and the denominator of which is the Total Workweeks; and
- 3.2.4.2.3. (ii) the portion allocated to the Cerritos Participating Class Members (the "Cerritos Class Allocation") shall equal the Aggregate Class Fund multiplied by a fraction, the numerator of which is the Cerritos Workweeks and the denominator of which is the Total Workweeks.
- 3.2.4.2.4. Deduction of the PAGA Penalties from the Lancaster/Palmdale Class Allocation Only. The Administrator shall deduct the entire PAGA Penalties solely from the Lancaster/Palmdale Class Allocation. The resulting amount (the "Lancaster/Palmdale Net Allocation") shall equal the Lancaster/Palmdale Class Allocation less the PAGA Penalties. No portion of the PAGA Penalties shall be deducted from, charged against, or otherwise reduce the Cerritos Class Allocation.
- 3.2.4.3. Calculation of Individual Class Payments.
- 3.2.4.3.1. (a) For each Lancaster/Palmdale Participating Class Member, the Administrator shall calculate the Individual Class Payment by (i) dividing the Lancaster/Palmdale Net Allocation by the Lancaster/Palmdale Workweeks, and (ii) multiplying the result by that Participating Class Member's Workweeks.
- 3.2.4.3.2. (b) For each Cerritos Participating Class Member, the Administrator shall calculate the Individual Class Payment by (i) dividing the Cerritos Class Allocation by the Cerritos Workweeks, and (ii) multiplying the result by that Participating Class Member's Workweeks.
- 3.2.5. The sum of all Individual Class Payments calculated under this Paragraph 3.2.4 shall equal the Aggregate Class Fund less the PAGA Penalties.
- 3.2.5.1. Tax Allocation of Individual Class Payments. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims. Each Participating Class Member's Wage Portion is subject to tax withholding and will be reported on an IRS Form W-2. 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties. Each Participating Class Member's Non-Wage Portion is not subject to wage withholdings and will be reported on an IRS Form 1099. Each Participating Class Member assumes full responsibility and liability for any employee taxes owed on their Individual Class Payment.
- 3.2.5.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts attributable to Non-

Participating Class Members in the applicable Lancaster/Palmdale Net Allocation or Cerritos Class Allocation and redistribute those amounts *pro rata* to Participating Class Members within that same allocation group.

3.2.6. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of TWENTY-FIVE THOUSAND DOLLARS AND ZERO CENTS (\$25,000.00) to be paid from the Gross Settlement Amount, with 75% (EIGHTEEN THOUSAND SEVEN HUNDRED FIFTY DOLLARS AND ZERO CENTS (\$18,750.00)) allocated to the LWDA PAGA Payment and 25% (SIX THOUSAND TWO HUNDRED FIFTY DOLLARS AND ZERO CENTS (\$6,250.00)) allocated to the Individual PAGA Payments.

3.2.6.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of each Aggrieved Employee's 25% share of PAGA Penalties (\$6,250.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Each Aggrieved Employee assumes full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.6.2. If the Court approves PAGA Penalties of less than the amount stated in Paragraph 3.2.6, the Administrator shall deduct only the court-approved amount of PAGA Penalties from the Lancaster/Palmdale Class Allocation pursuant to Paragraph 3.2.4.2, thereby increasing the Lancaster/Palmdale Net Allocation, and shall distribute the difference to the Lancaster/Palmdale Participating Class Members as part of their Individual Class Payments calculated pursuant to Paragraph 3.2.4.3. No portion of any court-ordered reduction of the PAGA Penalties shall increase the Cerritos Class Allocation. The Administrator will report each Aggrieved Employee's Individual PAGA Payment on an IRS Form 1099s.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Size Estimate and Escalator Clause.

4.1.1. Based on a review of their records prior to the February 11, 2026 mediation, the Corporate Defendants estimated there were 693 Class Members who collectively worked a total of 32,637 Workweeks during the Conriquez Class Period and the Coutcher Class Period through February 11, 2026, the mediation date, and 282 Aggrieved Employees who worked a total of 7,573 Pay Periods during the PAGA Period.

4.1.2. Based on a review of their records as of May 26, 2026, the Corporate Defendants determined there were 734 Class Members who collectively worked a total of 34,084 Workweeks during the Conriquez Class Period and the Coutcher Class Period through April 12, 2026, the end of the Class Period and PAGA Period, and 277 Aggrieved Employees who worked a total of 7,908 Pay Periods during the PAGA Period. Of the 34,084 Workweeks, 23,266 were Lancaster/Palmdale Workweeks and 10,818 were Cerritos Workweeks.

4.1.3. At mediation, the Parties agreed that, if the total Workweeks during the Conriquez Class Period and Coutcher Class Period are 10% or more greater than 32,637 (e.g., 35,901 or more Workweeks), then Defendants would have the option to either: (1) end the Class Period as of the date when the total number of Workweeks exceeded 35,901; or (2) permit the Gross Settlement Amount to be increased proportionally by the number of Workweeks in excess of 35,901 (the "Escalator Clause"). For example, if the number of Workweeks is 11% higher, the Gross Settlement Amount will increase by 1%.

- 4.1.4. Based on the information available to the Corporate Defendants as of the date this Agreement was executed, the total number of Workweeks has not triggered the Escalator Clause.
- 4.1.5. If the Administrator, following Final Approval, determines that the actual number of Workweeks based on the Class Data is equal to or greater than 35,901, then Defendants agree and understand that the Gross Settlement Amount must be increased as set forth in this section, and will cooperate with Class Counsel to seek an amended Final Approval Order and Amended Judgment reflecting such increase to the Gross Settlement Amount. Any increase pursuant to this Paragraph shall become part of the Gross Settlement Amount and, without any increase in the Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, or Administration Expenses Payment, shall be included in the Aggregate Class Fund and distributed to Participating Class Members pursuant to Paragraph 3.2.4..
- 4.2. Funding of Gross Settlement Amount. The Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay the Defendants' share of payroll taxes, by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.
- 4.3. Payments from the Gross Settlement Amount. Within fourteen (14) days after the Defendants fund 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 Representatives Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representatives Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.3.1. The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Participating Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than one hundred eighty (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 Class 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 who are also Aggrieved Employees 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.
- 4.3.2. The Administrator must conduct an Address Search for all Participating Class Members and Aggrieved Employees whose checks are returned undelivered without a United States Postal Service ("USPS") forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Participating Class Members or Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Participating Class Member or Aggrieved Employee whose original check was lost or misplaced, as requested by the Participating Class Member or Aggrieved Employee before the void date.

- 4.3.3. For any Participating Class Member whose Individual Class Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such a check to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member.
- 4.3.4. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such check to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).
- 4.3.5. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate the Defendants to confer any additional benefits or make any additional payments to Participating Class Members or Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when the Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1. Releases by Each Plaintiff.

- 5.1.1. Plaintiff Coutcher's Release. Plaintiff Coutcher, on behalf of herself and her heirs, executors, former and present representatives, agents, attorneys, administrators, successors, and assigns, knowingly and voluntarily releases and forever discharges Released Parties, jointly and severally, of and from any and all claims, transactions or occurrences, known and unknown, asserted or unasserted, including but not limited to: (a) all claims that were, or reasonably could have been, alleged based on the facts contained in the Operative Coutcher Complaint; (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Coutcher Complaint or Plaintiff Coutcher's PAGA Notice; and (c) all other claims that Plaintiff Coutcher has or may have against Released Parties as of the date of Plaintiff Coutcher's execution of this Agreement.
- 5.1.2. Plaintiff Conriquez's Release. Plaintiff Conriquez, on behalf of himself and his heirs, executors, former and present representatives, agents, attorneys, administrators, successors, and assigns, knowingly and voluntarily releases and forever discharges Released Parties, jointly and severally, of and from any and all claims, transactions or occurrences, known and unknown, asserted or unasserted, including but not limited to: (a) all claims that were, or reasonably could have been, alleged based on the facts contained in the Operative Conriquez Complaint; and (b) all other claims that Plaintiff Conriquez has or may have against Released Parties as of the date of Plaintiff Conriquez's execution of this Agreement.
- 5.1.3. Claims Not Released. Plaintiff Coutcher and Plaintiff Conriquez are not waiving any rights Plaintiff Coutcher or Plaintiff Conriquez may have to their respective: (i) own vested or accrued employee benefits under the Corporate Defendants' qualified retirement benefit plans; (ii) benefits or rights to seek benefits under applicable workers' compensation (except as to claims under Labor Code section 4553) or unemployment insurance or indemnification statutes; (iii) pursuit of claims that by law cannot be waived by signing this Agreement; or (iv) right to enforce this Agreement.
- 5.1.4. Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' Releases, each Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

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

5.2. Releases by Each Lancaster/Palmdale Participating Class Member: All Lancaster/Palmdale Participating Class Members, on behalf of themselves and their respective heirs, executors, former and present representatives, agents, attorneys, administrators, successors, and assigns, release and forever discharge the Released Parties, jointly and severally from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Coutcher Complaint that are alleged to have occurred during the Coutcher Class Period including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide rest periods; (4) failure to provide meal periods; (5) failure to reimburse business expenses; (6) failure to provide accurate wage statements; (7) failure to pay wages timely during employment; (8) failure to pay wages timely at separation; and (9) violations of the Unfair Competition Law. Except as set forth in Paragraph 5.4 below, Lancaster/Palmdale Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the California Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation or claims based on events occurring outside the Coutcher Class Period.

5.3. Releases by Each Cerritos Participating Class Member: All Cerritos Participating Class Members, on behalf of themselves and their respective heirs, executors, former and present representatives, agents, attorneys, administrators, successors, and assigns, release and forever discharge the Released Parties, jointly and severally from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Conriquez Complaint that are alleged to have occurred during the Conriquez Class Period, including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide rest periods; (4) failure to provide meal periods; (5) failure to reimburse business expenses; (6) failure to provide accurate wage statements; (7) failure to pay wages timely during employment; (8) failure to pay wages timely at separation; and (9) violations of the Unfair Competition Law. Cerritos Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the California Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation or claims based on events occurring outside the Conriquez Class Period or the Coutcher Class Period.

5.4. Releases by Each Aggrieved Employee: All Aggrieved Employees are deemed to release and forever discharge, on behalf of themselves and their respective heirs, executors, former and present representatives, agents, attorneys, administrators, successors, and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Coutcher Complaint or the PAGA Notice that are alleged to have occurred during the PAGA Period, including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide rest periods; (4) failure to provide meal periods; (5) failure to reimburse business expenses; (6) failure to provide accurate wage statements; (7) failure to pay wages timely during employment; and (8) failure to pay wages timely at separation.

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

6.1. Defendants' Declaration in Support of Preliminary Approval. Within seven (7) days of the full execution of this Agreement, Defense Counsel will prepare and deliver to Class Counsel signed declarations from Defendants and Defense Counsel disclosing all facts relevant

to any actual or potential conflicts of interest with the Administrator. In their respective declarations, Defense Counsel and Defendants shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. **Plaintiffs' Responsibilities.** Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (s)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) draft proposed Class Notices (Exhibits A and B); (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members or the Administrator; (vi) a signed declaration from Class Counsel's firm attesting to its competency to represent the Class Members; and its timely transmission to the LWDA of all necessary PAGA documents (PAGA Notice (Lab. Code, § 2699.3, subd. (a)), Operative Complaints (Lab. Code, § 2699, subd. (l)(1)), and the Agreement (Lab. Code, § 2699, subd. (s)(2))); (vii) a redlined version of the Agreement showing all modifications made to the Los Angeles Superior Court's Model Agreement; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members or the Administrator. In their declarations, Plaintiffs and Class Counsel shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.3. **Responsibilities of Counsel.** The hearing on the Motion for Preliminary Approval is currently scheduled for September 28, 2026, at 10:30 a.m. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval no later than 21 days after the full execution of this Agreement; Class Counsel is responsible for filing the Motion for Preliminary Approval no later than 21 days after the full execution of this Agreement. Class Counsel and Defense Counsel shall appear in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

7.1. **Selection of Administrator.** The Parties have jointly selected the ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, the ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
- 7.4.1. Not later than fifteen (15) days after the Court grants Preliminary Approval, the Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect each Class Member's 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 effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they discover 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 the Defendants must send the Class Data to the Administrator, the Parties and their respective counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Lancaster/Palmdale Workweeks, Cerritos Workweeks, Total Workweeks, and PAGA Pay Periods in the Class Data.
- 7.4.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to each Class Member identified in the Class Data, via first-class USPS mail, the form of Class Notice applicable to that Class Member: the Lancaster/Palmdale Class Notice (Exhibit A) to each Class Member identified in the Class Data as having worked for Defendants Lancaster Fitness, LLC and/or XI Enterprise, Inc., and the Cerritos Class Notice (Exhibit B) to each Class Member identified in the Class Data as having worked for Defendant Cerritos Fitness & Health, LLC. The Administrator shall mail both forms of Class Notice on the same date. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and Individual PAGA Payment (if applicable) payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3. Not later than three (3) business 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 any Class Member whose Class Notice is returned by the USPS a second time.
- 7.4.4. The deadline for Class Members' written objections, challenges to Workweeks, and Requests for Exclusion will be extended for any Class Member whose notice is re-mailed. Each Class Member to whom a Class Notice is re-sent after having been returned undeliverable to the Administrator shall have their deadline extended an additional fourteen (14) calendar days beyond the Response Deadline. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defendants, 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 a Class Member. If the Parties agree, such person will be a Class Member entitled to the same rights as every other Class Member, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of the Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5. Requests for Exclusion (Opt-Outs).

7.5.1. Any Class Member who wishes to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for Exclusion is a letter from a Class Member or the Class Member's 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.

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

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Member's Release under Paragraphs 5.2 or 5.3 above, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.4 above and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline to challenge the number of Workweeks 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. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on each Class Member's challenge to the number of Workweeks. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct if they are consistent with the Class Data. The Administrator's determination of allocations of Workweeks is final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide to Defense Counsel and Class Counsel copies of all

challenges to calculation of Workweeks and the Administrator's determination of the challenges.

7.7. Objections to Settlement.

7.7.1. Only a Participating Class Member may object to the class action components of the Settlement and this Agreement, including contesting the fairness of the Settlement and the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representatives Service Payment.

7.7.2. A Participating Class Member may send written objections to the Administrator, by fax, email, or mail no later than the Response Deadline. A Participating Class Member also may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing.

7.7.3. Each Non-Participating Class Member has no right to object to any of the class action components of the Settlement.

7.8. Administrator Duties. The Administrator has a duty to perform all tasks to be performed by the Administrator set forth in this Agreement or otherwise.

7.8.1. Website, Email Address, and Toll-Free Number. The Administrator will establish, maintain, and use a website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Agreement, Motion for Preliminary Approval, the Preliminary Approval, both forms of Class Notice, the Motion for Final Approval, 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.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis any Request for Exclusion to ascertain its validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4. Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion it received

(both valid or invalid), and the number of written objections. The declaration shall attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.5. Final Report by Settlement Administrator. Within ten (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 fifteen (15) days before any deadline set by the Court, the Administrator will prepare and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. DEFENDANTS' RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be *void ab initio* and have no force or effect whatsoever, and no Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

9. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (s)(2), a proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven (7) days before filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

9.1. Response to Objections. All Parties retain their right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days before the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

9.2. 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 Representatives Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

9.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Actions, and the Settlement solely for purposes of (i) enforcing this Agreement or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, the Parties, their respective counsel, and all Participating

Class Members who did not object to the Settlement, 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 Aggregate Class Fund or the PAGA Penalties.

- 9.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the appellate 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 Representatives 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.

10. 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 a proposed amended judgment.

11. ADDITIONAL PROVISIONS.

- 11.1. No Admission of Liability. 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 Defendants that any of the allegations in the Operative Complaints have merit or that Defendants have any liability for any claims asserted; nor is it intended or should be construed as an admission by Plaintiffs that Defendants' defenses in the Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant Preliminary Approval, grant Final Approval, or enter Judgment, Defendants reserve the right to contest certification of any class for any reason, Defendants reserve all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement, and Parties' willingness to settle the Actions 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).
- 11.2. Confidentiality Before Preliminary Approval. Plaintiffs, Class Counsel, Defendants, and Defense Counsel separately agree that, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate, 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) to counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants, 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, with any 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.

- 11.3. 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.
- 11.4. Integrated Agreement. Upon execution by all Parties and their respective 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.
- 11.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, 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.
- 11.6. Cooperation. The Parties and their respective 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 and 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 Mr. Serratore or the Court for resolution.
- 11.7. 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 any portion of any liability, claim, demand, action, cause of action, or right released and discharged by a Party in this Settlement.
- 11.8. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants, 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.
- 11.9. 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.
- 11.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.
- 11.12. Cooperation in Drafting. The Parties have cooperated in drafting and preparing 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.
- 11.13. Confidentiality. To the extent permitted by law, all agreements made and orders entered during the Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 11.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to

Class Counsel by the Defendants in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiffs and Class Counsel shall destroy all paper and electronic versions of Class Data received from the Defendants unless, before the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destruction, of Class Data.

- 11.15. 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.
- 11.16. Calendar Days. Unless otherwise noted, all references 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 or state legal holiday, such date or deadline shall be on the first business day thereafter.
- 11.17. 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:

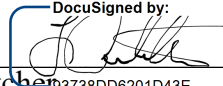
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gabriella.han@jacksonlewis.com

- 11.18. 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.
- 11.19. 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 Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Dated: August __, 2026
8/25/2026

DocuSigned by:

Jordan Couter
Plaintiff

Dated: August __, 2026

Rudy Conriquez
Plaintiff

LANCASTER FITNESS, LLC

Dated: August __, 2026

By: _____
Curtis Harman
Chief Executive Officer
Defendant

XI ENTERPRISE, INC.

Dated: August __, 2026

By: _____
Shah Roshan
Chief Executive Officer
Defendant

CERRITOS FITNESS & HEALTH, LLC

Dated: August __, 2026

By: _____
Curtis Harman
Chief Executive Officer
Defendant

HARMAN FITNESS, LLC

Dated: August __, 2026

By: _____
Curtis Harman
Chief Executive Officer
Defendant

FITNESS CLUB MANAGEMENT, LLC

Dated: August __, 2026

By: _____
Curtis Harman
Chief Executive Officer
Defendant

Dated: August __, 2026

Curtis Harman
Defendant

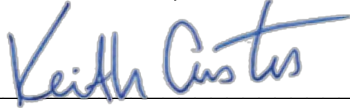
Dated: August ___, 2026

David Harman
Defendant

CUSTIS LAW, P.C.

Dated: August 25, 2026

By:


Keith A. Custis

Attorneys for Plaintiffs
JORDAN COUTCHER and RUDY
CONRIQUEZ

JACKSON LEWIS P.C.

Dated: August ___, 2026

By:

David G. Hoiles, Jr.
Lauren R. Presser
Gabriella S. Han

Attorneys for Defendants
LANCASTER FITNESS, LLC, XI
ENTERPRISE, INC., CERRITOS FITNESS &
HEALTH, LLC, HARMAN FITNESS, LLC,
FITNESS CLUB MANAGEMENT, LLC,
CURTIS HARMAN, and DAVID HARMAN

4920-5585-4026, v. 1

Dated: August ___, 2026

Jordan Coutcher
Plaintiff

Dated: August ___, 2026

Rudy Conriquez
Plaintiff

LANCASTER FITNESS, LLC

Dated: August ___, 2026

By: _____
Curtis Harman
Chief Executive Officer
Defendant

XI ENTERPRISE, INC.

09/01/2026
Dated: August ___, 2026

By: Shah Roshan
[Shah Roshan \(Sep 1, 2026 05:15:38 PDT\)](#)
Shah Roshan
Chief Executive Officer
Defendant

CERRITOS FITNESS & HEALTH, LLC

Dated: August ___, 2026

By: _____
Curtis Harman
Chief Executive Officer
Defendant

HARMAN FITNESS, LLC

Dated: August ___, 2026

By: _____
Curtis Harman
Chief Executive Officer
Defendant

FITNESS CLUB MANAGEMENT, LLC

Dated: August ___, 2026

By: _____
Curtis Harman
Chief Executive Officer
Defendant

Dated: August ___, 2026

Curtis Harman
Defendant

08/25/2026
Dated: August __, 2026

David Harman
David Harman (Aug 25, 2026 14:33:30 PDT)
David Harman
Defendant

CUSTIS LAW, P.C.

Dated: August __, 2026

By: _____
Keith A. Custis

Attorneys for Plaintiffs
JORDAN COUTCHER and RUDY
CONRIQUEZ

JACKSON LEWIS P.C.

Dated: September 1, 2026

By:  _____
David G. Hoiles, Jr.
Lauren R. Presser
Gabriella S. Han

Attorneys for Defendants
LANCASTER FITNESS, LLC, XI
ENTERPRISE, INC., CERRITOS FITNESS &
HEALTH, LLC, HARMAN FITNESS, LLC,
FITNESS CLUB MANAGEMENT, LLC,
CURTIS HARMAN, and DAVID HARMAN

Dated: August ___, 2026

Jordan Coutcher
Plaintiff

Dated: August ___, 2026
8/24/2026

Rudy Conriquez
Plaintiff

DocuSigned by:

Rudy Conriquez

76707634E4D5483...

LANCASTER FITNESS, LLC

Dated: August ___, 2026

By:

Curtis Harman
Chief Executive Officer
Defendant

XI ENTERPRISE, INC.

Dated: August ___, 2026

By:

Shah Roshan
Chief Executive Officer
Defendant

CERRITOS FITNESS & HEALTH, LLC

Dated: August ___, 2026

By:

Curtis Harman
Chief Executive Officer
Defendant

HARMAN FITNESS, LLC

Dated: August ___, 2026

By:

Curtis Harman
Chief Executive Officer
Defendant

FITNESS CLUB MANAGEMENT, LLC

Dated: August ___, 2026

By:

Curtis Harman
Chief Executive Officer
Defendant

Dated: August ___, 2026

Curtis Harman
Defendant

Dated: August ___, 2026

Jordan Coutcher
Plaintiff

Dated: August ___, 2026

Rudy Conriquez
Plaintiff

08/26/2026
Dated: August ___, 2026

LANCASTER FITNESS, LLC
Curtis harman
By: [Curtis harman \(Aug 26, 2026 08:11:49 CDT\)](#)
Curtis Harman
Chief Executive Officer
Defendant

Dated: August ___, 2026

XI ENTERPRISE, INC.

By: _____
Shah Roshan
Chief Executive Officer
Defendant

08/26/2026
Dated: August ___, 2026

CERRITOS FITNESS & HEALTH, LLC
Curtis harman
By: [Curtis harman \(Aug 26, 2026 08:11:49 CDT\)](#)
Curtis Harman
Chief Executive Officer
Defendant

08/26/2026
Dated: August ___, 2026

HARMAN FITNESS, LLC
Curtis harman
By: [Curtis harman \(Aug 26, 2026 08:11:49 CDT\)](#)
Curtis Harman
Chief Executive Officer
Defendant

08/26/2026
Dated: August ___, 2026

FITNESS CLUB MANAGEMENT, LLC
Curtis harman
By: [Curtis harman \(Aug 26, 2026 08:11:49 CDT\)](#)
Curtis Harman
Chief Executive Officer
Defendant

08/26/2026
Dated: August ___, 2026

Curtis harman
[Curtis harman \(Aug 26, 2026 08:11:49 CDT\)](#)
Curtis Harman
Defendant

Exhibit A

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

SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

Jordan Coutcher, et al. v. Harman Fitness, LLC, et al.

Lead Case No. 22STCV18360 (consolidated with No. 22STCV18386 for all purposes and with *Rudy Conriquez v. Cerritos Fitness & Health, LLC, et al.*, LASC Case No. 24STCV25107 for settlement purposes)

**NOTICE FOR EMPLOYEES OF LANCASTER FITNESS, LLC OR XI ENTERPRISE,
INC.**

[Class Member name and mailing address]

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

You may be eligible to receive money from a proposed settlement of three related class action lawsuits, two filed against Lancaster Fitness, LLC and XI Enterprise, Inc. (collectively, the "Coutcher Employers") and several other named defendants (the "Coutcher Actions"), and a third class action lawsuit filed against Cerritos Fitness & Health, LLC ("Cerritos Fitness") and several other named defendants (the "Conriquez Action").¹ The Coutcher Actions were filed by Jordan Coutcher ("Coutcher"), a former employee of both the Coutcher Employers, and seek payment of (1) back wages and other relief for a class of non-exempt employees ("Coutcher Class Members") who worked for one or both of the Coutcher Employers at their Lancaster and/or Palmdale Crunch Fitness locations during the Coutcher Class Period (June 3, 2018 to April 12, 2026); and (2) penalties under the California Private Attorneys General Act ("PAGA") for all non-exempt employees who worked for the Coutcher Employers during the PAGA Period (June 6, 2021 to April 12, 2026) ("Aggrieved Employees").

The Coutcher Actions and the Conriquez Action share a proposed single \$900,000.00 settlement fund. This Notice describes your rights as a non-exempt employee of one or both of the Coutcher Employers.² The proposed Settlement has two main parts: (1) a Class Settlement requiring the defendants in the Coutcher Actions and the Conriquez Action to fund Individual Class Payments, and (2) a PAGA Settlement requiring the defendants in the Coutcher Actions to

¹ The Conriquez Action was filed by Rudy Conriquez ("Conriquez") and seeks payment of back wages and other relief for a class of non-exempt employees who worked for Cerritos Fitness at its Cerritos location during the Conriquez Class Period (September 26, 2020 to April 12, 2026) (the "Conriquez Class Members").

² As the claims asserted in the Coutcher Actions and the Conriquez Action are slightly different and cover different time periods, there is a different notice that has been approved by the Court and is being sent to the Conriquez Class Members.

fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and Workforce Development Agency ("LWDA"). The PAGA portion of the Settlement applies only to Aggrieved Employees in the Coutcher Actions.

Based on the Coutcher Employers' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$ _____ (less withholding) and your Individual PAGA Payment is estimated to be \$ _____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to the Coutcher Employers' 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 the Coutcher Employers' records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods during the PAGA Period**. If you believe that you worked more workweeks or more pay periods during either period, you can submit a challenge by the deadline date. See Section IV 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 of the Settlement. 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 Coutcher and Conriquez (collectively, "Plaintiffs") and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires the Coutcher Employers, Cerritos Fitness, Harman Fitness, LLC, Fitness Club Management, LLC, Curtis Harman, and David Harman (collectively, "Defendants") to make payments under the Settlement and requires Participating Class Members in the Coutcher Actions and the Conriquez Action (collectively, "All Participating Class Members") and Aggrieved Employees in the Coutcher Actions to give up their rights to assert certain claims against Defendants and the corporate defendants' past and present direct or indirect parent organizations, subsidiaries, divisions, affiliated entities, and their partners, officers, directors, trustees, administrators, fiduciaries, employment benefit plans, or pension plans or funds, executors, attorneys (including, but not limited to, Jackson Lewis P.C. ("Defense Counsel")), employees, insurers, reinsurers, or agents and their successors and assigns individually and in their official capacities (collectively, the "Released Parties").

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against the Released Parties.

(2) **Opt-Out of the Class Portion of the Settlement.** You can exclude yourself from the class portion of the proposed Settlement (opt-out) by submitting the written request for exclusion or otherwise notifying the Administrator in writing. If you opt-out of the class portion 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 Defendants, and, if you are an Aggrieved Employee, receive an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against the Released Parties that are covered by this Settlement ("Released Class Claims").
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written request for exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section VI of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	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 Plaintiffs, who pursued the Actions on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to All Participating Class Members.

	You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section VII of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. All Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section VIII of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amounts of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Coutcher Class Period (“Workweeks”) and how many pay periods you worked at least one day during the PAGA Period (“PAGA Pay Periods”), respectively. The number of Workweeks and number of PAGA Pay Periods you worked according to the Coutcher Employers' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section IV of this Notice.

I. WHAT ARE THE ACTIONS ABOUT?

Coutcher is a former employee of both Coutcher Employers. The Actions accuse Defendants of violating California labor laws by failing to pay minimum wages, overtime wages, wages timely during employment, wages due upon separation, and reimbursable business expenses, and failing to provide meal periods, rest periods and accurate itemized wage statements. Based on the same claims, Coutcher has also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.). Plaintiffs are represented by attorneys in the Actions: Keith A. Custis of Custis Law, P.C. Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

II. WHAT DOES IT MEAN THAT THE ACTIONS HAVE SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants (collectively, the “Parties”) hired an experienced, neutral mediator, Steven Serratore, Esq., in an effort to resolve the Actions by negotiating an agreement (settle the cases) 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 Actions, the Parties 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, Defendants do not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have 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.

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

1. Defendants Will Pay \$900,000.00 as the Gross Settlement Amount ("Gross Settlement"). This single amount will fund the amounts to be paid by Defendants for both the Coutcher Actions and the Conriquez Action. Defendants have 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 Individual Class Payments to All Participating Class Members, Individual PAGA Payments to all Aggrieved Employees in the Coutcher Actions, the Class Representatives Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 14 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 any Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Payments from Gross Settlement. At the Final Approval Hearing, Class Counsel will ask the Court to approve the following payments from the Gross Settlement, the amounts of which will be decided by the Court:
 - A. Up to \$299,970.00 (33.33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$34,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Actions without payment.
 - B. Up to \$10,000.00 to Coutcher and up to \$5,000.00 to Conriquez as a Class Representatives Service Payment for filing the Actions, working with Class Counsel and representing the Class. The Class Representatives Service Payment will be the only monies each will receive other than their own Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$10,000.00 to the Administrator for services administering the Settlement.
 - D. Up to \$25,000.00 for PAGA Penalties, allocated 75% (\$18,750.00) to the LWDA and 25% (\$6,250.00) to Individual PAGA Payments to Aggrieved Employees based

on their PAGA Pay Periods. As explained in Section **IV** of this Notice, the PAGA penalties are funded entirely out of the Lancaster/Palmdale Class Allocation and will reduce the Individual Class Payments of Lancaster/Palmdale Participating Class Members only.

All Participating Class Members have the right to object to any of these payments except the PAGA penalties. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. The settlement funds that remain after payment of the Court-approved attorneys' fees and litigation expenses, Class Representatives Service Payment, and Administrator's expenses (the "Aggregate Class Fund") are allocated between the two groups of Participating Class Members and paid as Individual Class Payments based on Class Period workweeks. The Court-approved PAGA penalties are then deducted solely from the Lancaster/Palmdale Class Allocation. Because this Settlement covers payments to All Participating Class Members, your payment is calculated in three steps, explained in Section **IV**.
4. Taxes Owed on Payments to Class Members. The Parties are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Coutcher Employers will separately pay employer payroll taxes they owe 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 the Parties 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, not less than 180 days after the check is mailed). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check are sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Portion of the Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish

to opt-out. The easiest way to notify the Administrator is to send a written and signed Request For Exclusion by the _____ Response Deadline. The Request For Exclusion should be a letter from the Class Member or Class Member's representative setting forth the Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Class Members who opt out will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Coutcher Class Members who opt out of the Class Settlement, and who are also Aggrieved Employees, will receive Individual PAGA Payments and are required to give up their right to assert PAGA claims against the Released Parties based on the PAGA Period facts alleged in the Coutcher Actions.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will not grant Final Approval of the Settlement or not enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. The Parties have agreed that, in either case, the Settlement will be void, Defendants will not pay any money, and Class Members will not release any claims against the Released Parties.
8. Administrator. The Court has appointed a neutral company, ILYM 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, PAGA Pay Periods, 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 **IX** of this Notice.
9. Lancaster/Palmdale Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement (and separately paid all employer payroll taxes), Lancaster/Palmdale 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 portion of the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against the Released Parties for wages based on the Coutcher Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Actions and resolved by this Settlement.

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

All Lancaster/Palmdale Participating Class Members, on behalf of themselves and their respective heirs, executors, former and present representatives, agents, attorneys, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Coutcher Complaint that are alleged to

have occurred during the Coutcher Class Period, including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide rest periods; (4) failure to provide meal periods; (5) failure to reimburse business expenses; (6) failure to provide accurate wage statements; (7) failure to pay wages timely during employment; (8) failure to pay wages timely at separation; and (9) violations of the Unfair Competition Law. Except as set forth in Paragraph 5.4 of the Settlement Agreement, Lancaster/Palmdale Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the California Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation, or claims based on events occurring outside the Coutcher Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against the Released Parties, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Lancaster/Palmdale Participating Class Members and those who opt-out of the class portion of the Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against the Released Parties based on the PAGA Period facts alleged in the Actions and resolved by this Settlement.

The Aggrieved Employees' Release for Participating and Non-Participating Class Members in the Coutcher Actions is as follows:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective heirs, executors, former and present representatives, agents, attorneys, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Coutcher Complaint or the PAGA Notice that are alleged to have occurred during the PAGA Period, including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide rest periods; (4) failure to provide meal periods; (5) failure to reimburse business expenses; (6) failure to provide accurate wage statements; (7) failure to pay wages timely during employment; and (8) failure to pay wages timely at separation.

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate your Individual Class Payment in the following three steps, as set out in Paragraph 3.2.4 of the Settlement Agreement:

- A. Determine the Aggregate Class Fund. From the \$900,000.00 Gross Settlement, the Administrator subtracts the Court-approved attorneys' fees and litigation costs, the Class Representative Service Payments, and the Administrator's expenses. The amount that remains is the Aggregate Class Fund. The PAGA Penalties are not subtracted at this step.
 - B. Allocate the Aggregate Class Fund between the two groups of employees. The Administrator divides the Aggregate Class Fund between All Participating Class Members in proportion to the total Workweeks worked by each group during their respective Class Periods. The Lancaster/Palmdale group's share is the "Lancaster/Palmdale Class Allocation," and the Cerritos group's share is the "Cerritos Class Allocation."
 - C. Deduct the PAGA Penalties and calculate your payment. The Administrator subtracts the entire amount of the Court-approved PAGA Penalties (up to \$25,000.00) from the Lancaster/Palmdale Class Allocation, leaving the "Lancaster/Palmdale Net Allocation." The Administrator then calculates your Individual Class Payment by (a) dividing the Lancaster/Palmdale Net Allocation by the total number of Workweeks worked by all Lancaster/Palmdale Participating Class Members, and (b) multiplying the result by the number of Workweeks you worked during the Coutcher Class Period.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$6,250.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in the Coutcher Employers' records, are stated on the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or PAGA 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 **IX** of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept the Coutcher Employers' calculation of Workweeks and/or Pay Periods based on their 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 All Participating Class Members) and Defense Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

V. HOW WILL I GET PAID?

1. All Participating Class Members. The Administrator will send, by U.S. mail, a single check to All Participating Class Members (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine your Individual Class Payment and your Individual PAGA Payment (if any).
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 portion of the Settlement (i.e., every Non-Participating Class Member who is also an Aggrieved Employee).

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 IX of this Notice has the Administrator's contact information.

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

To opt out of the class portion of the 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 class portion of the Settlement. The Administrator will exclude you from the class action portion of the Settlement based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Coutcher v. Harman Fitness, LLC, et al.*, Case No. 22STCV18360, and include your identifying information (full name, address, telephone number, and approximate dates of employment for verification purposes). You or your representative may make the request to be excluded. **The Administrator must be sent your request to be excluded by fax, email, or U.S. Mail, and your request must be faxed, emailed, or (if mailed) postmarked by _____, or it will be invalid.** Section IX of the Notice has the Administrator's contact information. Remember, you cannot opt-out of the PAGA portion of the Settlement.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

All Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what the Parties are asking the Court to approve. At least 16 court days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Class Representatives Service Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representatives Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website _____ or the Superior Court's

website by going to <http://www.lacourt.org/casesummary/ui/index.aspx> and entering the Case Number for the lead case in the Actions, Case No. 22STCV18360.

All Participating Class Members who disagree with any aspect of the proposed Settlement or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The Administrator must be sent your written objection by fax, email, or U.S. Mail, and your objection must be faxed, emailed, or (if mailed) postmarked by _____.** 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 lead case in the Actions; *Coutcher v. Harman Fitness, LLC, et al.*, Case No. 22STCV18360 and include your name, current address, telephone number, and approximate dates of employment for either or both of the Coutcher Employers and sign the objection. Section **IX** of this Notice has the Administrator's contact information.

All Participating Class Members 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 **VIII** of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 1 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, Plaintiffs, the LWDA, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

IX. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything the Parties 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 at _____. 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 lead case in the Actions, Case No. 22STCV18360. 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 COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

Class Counsel:

Name of Attorney: Keith A. Custis, Esq.

Email Address: kcustis@custislawpc.com

Name of Firm: Custis Law, P.C.

Mailing Address: 2121 Avenue of the Stars, Suite 800, Los Angeles, California 90067

Telephone: (213) 863-4276

Settlement Administrator:

Name of Company: ILYM Group, Inc.

Email Address:

Mailing Address:

Telephone:

Fax Number:

X. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

XI. 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 B

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

SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

Jordan Coutcher, et al. v. Harman Fitness, LLC, et al.

Lead Case No. 22STCV18360 (consolidated with No. 22STCV18386 for all purposes and with *Rudy Conriquez v. Cerritos Fitness & Health, LLC, et al.*, LASC Case No. 24STCV25107 for settlement purposes)

NOTICE FOR EMPLOYEES OF CERRITOS FITNESS & HEALTH, LLC

[Class Member name and mailing address]

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

You may be eligible to receive money from a proposed settlement of three related class action lawsuits, two filed against Lancaster Fitness, LLC and XI Enterprise, Inc. (collectively, the "Coutcher Employers") and several other named defendants (the "Coutcher Actions"), and a third class action lawsuit filed against Cerritos Fitness & Health, LLC ("Cerritos Fitness") and several other named defendants (the "Conriquez Action").¹ The Conriquez Action was filed by Rudy Conriquez ("Conriquez"), a former employee of Cerritos Fitness, and seeks payment of back wages and other relief for a class of non-exempt employees ("Conriquez Class Members") who worked for Cerritos Fitness at its Cerritos location during the Conriquez Class Period (September 26, 2020 to April 12, 2026).

The Coutcher Actions and the Conriquez Action share a proposed single \$900,000.00 settlement fund. This Notice describes your rights as a non-exempt employee of Cerritos Fitness.² The proposed Settlement has two main parts: (1) a Class Settlement requiring the defendants in the Coutcher Actions and the Conriquez Action to fund Individual Class Payments, and (2) a PAGA Settlement requiring the defendants in the Coutcher Actions to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and

¹ The Coutcher Actions were filed by Jordan Coutcher ("Coutcher"), a former employee of both the Coutcher Employers, and seek payment of (1) back wages and other relief for a class of non-exempt employees who worked for one or both of the Coutcher Employers at their Lancaster and/or Palmdale Crunch Fitness locations during the Coutcher Class Period (June 3, 2018 to April 12, 2026) (the "Coutcher Class Members"); and (2) penalties under the California Private Attorneys General Act ("PAGA") for all non-exempt employees who worked for the Coutcher Employers during the PAGA Period (June 6, 2021 to April 12, 2026) ("Aggrieved Employees").

² As the claims asserted in the Coutcher Actions and the Conriquez Action are slightly different and cover different time periods, there is a different notice that has been approved by the Court and is being sent to the Coutcher Class Members.

Workforce Development Agency ("LWDA") (collectively, "PAGA Penalties"). The PAGA portion of the Settlement applies only to Aggrieved Employees in the Coutcher Actions.

Based on Cerritos Fitness's records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding).** The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimate is based on Cerritos Fitness's records showing that **you worked _____ workweeks during the Conriquez Class Period.** If you believe that you worked more workweeks during the Conriquez Class Period, you can submit a challenge by the deadline date. See Section **IV** 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 of the Settlement. 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 Coutcher and Conriquez (collectively, "Plaintiffs") and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires the Coutcher Employers, Cerritos Fitness, Harman Fitness, LLC, Fitness Club Management, LLC, Curtis Harman, and David Harman (collectively, "Defendants") to make payments under the Settlement and requires Participating Class Members in the Coutcher Actions and the Conriquez Action (collectively, "All Participating Class Members") and Aggrieved Employees in the Coutcher Actions to give up their rights to assert certain claims against Defendants and the corporate defendants' past and present direct or indirect parent organizations, subsidiaries, divisions, affiliated entities, and their partners, officers, directors, trustees, administrators, fiduciaries, employment benefit plans, or pension plans or funds, executors, attorneys (including, but not limited to, Jackson Lewis P.C. ("Defense Counsel")), employees, insurers, reinsurers, or agents and their successors and assigns individually and in their official capacities (collectively, the "Released Parties").

If you worked for Cerritos Fitness during the Conriquez Class 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. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims against the Released Parties.
- (2) **Opt-Out of the Settlement.** You can exclude yourself from the proposed 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 Defendants.

Cerritos Fitness 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. In exchange, you will give up your right to assert the wage claims against the Released Parties that are covered by this Settlement ("Released Class Claims").
You Can Opt-out of the Settlement The Opt-out Deadline is _____	If you don't want to participate in the proposed Settlement, you can opt-out of the 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 VI of this Notice.
Participating Class Members Can Object to the Settlement Written Objections Must be Submitted by _____	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 Plaintiffs, who pursued the Actions on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to All Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section VII of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. All Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section VIII of this Notice.

You Can Challenge the Calculation of Your Workweeks Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment depends on how many workweeks you worked at least one day during the Conriquez Class Period (“Workweeks”). The number of Workweeks you worked according to Cerritos Fitness's records is stated on the first page of this Notice. If you disagree with this number, you must challenge it by _____. See Section IV of this Notice.
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I. WHAT ARE THE ACTIONS ABOUT?

Conriquez is a former employee of Cerritos Fitness. The Actions accuse Defendants of violating California labor laws by failing to pay minimum wages, overtime wages, wages timely during employment, wages due upon separation, and reimbursable business expenses, and failing to provide meal periods, rest periods and accurate itemized wage statements. Based on the same claims, Coutcher has also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.). Plaintiffs are represented by attorneys in the Actions: Keith A. Custis of Custis Law, P.C. Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

II. WHAT DOES IT MEAN THAT THE ACTIONS HAVE SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants (collectively, the “Parties”) hired an experienced, neutral mediator, Steven Serratore, Esq., in an effort to resolve the Actions by negotiating an agreement (settle the cases) 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 Actions, the Parties 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, Defendants do not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have 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.

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

1. Defendants Will Pay \$900,000.00 as the Gross Settlement Amount ("Gross Settlement").
This single amount will fund the amounts to be paid by Defendants for both the Coutcher

Actions and the Conriquez Action. Defendants have 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 Individual Class Payments to All Participating Class Members, Individual PAGA Payments to all Aggrieved Employees in the Coutcher Actions, the Class Representatives Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 14 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 any Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Payments from Gross Settlement. At the Final Approval Hearing, Class Counsel will ask the Court to approve the following payments from the Gross Settlement, the amounts of which will be decided by the Court:

- A. Up to \$299,970.00 (33.33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$34,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Actions without payment.
- B. Up to \$10,000.00 to Coutcher and up to \$5,000.00 to Conriquez as a Class Representatives Service Payment for filing the Actions, working with Class Counsel and representing the Class. The Class Representatives Service Payment will be the only monies each will receive other than their own Individual Class Payment and any Individual PAGA Payment.
- C. Up to \$10,000.00 to the Administrator for services administering the Settlement.
- D. Up to \$25,000.00 for PAGA Penalties, allocated 75% (\$18,750.00) to the LWDA and 25% (\$6,250.00) to Individual PAGA Payments to Aggrieved Employees in the Coutcher Actions based on their PAGA Pay Periods. As explained in Section IV of this Notice, the PAGA Penalties are funded entirely out of the Lancaster/Palmdale Class Allocation. No portion of the PAGA Penalties will be deducted from, charged against, or otherwise reduce the Cerritos Class Allocation or your Individual Class Payment.

All Participating Class Members have the right to object to any of these payments except the PAGA penalties. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. The settlement funds that remain after payment of the Court-approved attorneys' fees and litigation expenses, Class Representatives Service Payment, and Administrator's expenses (the "Aggregate Class Fund") are allocated between the two groups of Participating Class Members and paid as Individual Class Payments based on Class Period workweeks. As explained in Section IV below, the Court-approved PAGA Penalties are then deducted solely from the

Lancaster/Palmdale Class Allocation and do not reduce the Cerritos Class Allocation. Because this Settlement covers payments to All Participating Class Members, your payment is calculated in three steps.

4. Taxes Owed on Payments to Class Members. The Parties are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Cerritos Fitness will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although the Parties 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 will show the date when the check expires (the void date, not less than 180 days after the check is mailed). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check are sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request For Exclusion by the _____ Response Deadline. The Request For Exclusion should be a letter from the Class Member or Class Member's representative setting forth the Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Class Members who opt out will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendants.
7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will not grant Final Approval of the Settlement or not enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. The Parties have agreed that, in either case, the Settlement will be void, Defendants will not pay any money, and Class Members will not release any claims against the Released Parties.

8. Administrator. The Court has appointed a neutral company, ILYM 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 **IX** of this Notice.
9. Cerritos Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement (and separately paid all employer payroll taxes), Cerritos 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 Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against the Released Parties for wages based on the Conriquez Class Period facts, as alleged in the Actions and resolved by this Settlement.

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

All Cerritos Participating Class Members, on behalf of themselves and their respective heirs, executors, former and present representatives, agents, attorneys, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Conriquez Complaint that are alleged to have occurred during the Conriquez Class Period, including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide rest periods; (4) failure to provide meal periods; (5) failure to reimburse business expenses; (6) failure to provide accurate wage statements; (7) failure to pay wages timely during employment; (8) failure to pay wages timely at separation; and (9) violations of the Unfair Competition Law. Cerritos Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the California Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation, or claims based on events occurring outside the Conriquez Class Period.

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate your Individual Class Payment in the following three steps, as set out in Paragraph 3.2.4 of the Settlement Agreement:
 - A. Determine the Aggregate Class Fund. From the \$900,000.00 Gross Settlement, the Administrator subtracts the Court-approved attorneys' fees and litigation costs, the Class Representative Service Payments, and the Administrator's expenses. The amount that remains is the Aggregate Class Fund. The PAGA Penalties are not subtracted at this step.

- B. Allocate the Aggregate Class Fund between the two groups of employees. The Administrator divides the Aggregate Class Fund between All Participating Class Members in proportion to the total Workweeks worked by each group during their respective Class Periods. The Lancaster/Palmdale group's share is the "Lancaster/Palmdale Class Allocation," and the Cerritos group's share is the "Cerritos Class Allocation."
- C. Calculate your payment. The Court-approved PAGA Penalties are deducted solely from the Lancaster/Palmdale Class Allocation; no portion of the PAGA Penalties is deducted from the Cerritos Class Allocation. The Administrator calculates your Individual Class Payment by (a) dividing the Cerritos Class Allocation by the total number of Workweeks worked by all Cerritos Participating Class Members, and (b) multiplying the result by the number of Workweeks you worked during the Conriquez Class Period.
2. Workweek Challenges. The number of Workweeks you worked during the Conriquez Class Period, as recorded in Cerritos Fitness's records, is stated on the first page of this Notice. You have until _____ to challenge the number of Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX 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 Cerritos Fitness's calculation of Workweeks based on its 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 challenges based on your submission and on input from Class Counsel (who will advocate on behalf of All Participating Class Members) and Defense Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

V. HOW WILL I GET PAID?

1. All Participating Class Members. The Administrator will send, by U.S. mail, a single check for your Individual Class Payment to All Participating Class Members (i.e., every Class Member who doesn't opt-out).
2. Non-Participating Class Members. Class Members who opt out of the Settlement (Non-Participating Class Members) will not receive any payment under the Settlement.

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 IX of this Notice has the Administrator's contact information.

VI. HOW DO I OPT-OUT OF THE SETTLEMENT?

To opt out of the 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 from the Settlement based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the lead case in the Actions; *Coutcher v. Harman Fitness, LLC, et al.*, Case No. 22STCV18360, and include your identifying information (full name, address, telephone number, and approximate dates of employment for verification purposes). You or your representative may make the request to be excluded. **The Administrator must be sent your request to be excluded by fax, email, or U.S. Mail, and your request must be faxed, emailed, or (if mailed) postmarked by _____, or it will be invalid.** Section IX of the Notice has the Administrator's contact information.

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All Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what the Parties are asking the Court to approve. At least 16 court days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Class Representatives Service Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representatives Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website _____ or the Superior Court's website by going to <http://www.lacourt.org/casesummary/ui/index.aspx> and entering the Case Number for the lead case in the Actions, Case No. 22STCV18360.

All Participating Class Members who disagree with any aspect of the proposed Settlement or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The Administrator must be sent your written objection by fax, email, or U.S. Mail, and your objection must be faxed, emailed, or (if mailed) postmarked by _____.** 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 lead case in the Actions; *Coutcher v. Harman Fitness, LLC, et al.*, Case No. 22STCV18360 and include your name, current address, telephone number, and approximate dates of employment for Cerritos Fitness and sign the objection. Section IX of this Notice has the Administrator's contact information.

All Participating Class Members 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 VIII of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

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You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 1 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, Plaintiffs, the LWDA, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

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The Agreement sets forth everything the Parties 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 at _____. 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 lead case in the Actions, Case No. 22STCV18360. 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 COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

Class Counsel:

Name of Attorney: Keith A. Custis, Esq.

Email Address: kcustis@custislawpc.com

Name of Firm: Custis Law, P.C.

Mailing Address: 2121 Avenue of the Stars, Suite 800, Los Angeles, California 90067

Telephone: (213) 863-4276

Settlement Administrator:

Name of Company: ILYM Group, Inc.

Email Address:

Mailing Address:

Telephone:

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