

CLASS AND REPRESENTATIVE ACTION SETTLEMENT AGREEMENT
AND RELEASE

This Class and Representative Action Settlement Agreement and Release (“Settlement” or “Agreement”) encompasses a class action and a Private Attorneys General Act (“PAGA”) representative action complaint originally filed on August 9, 2022 and entitled *David Melgoza v. Ecology Recycling Services, LLC*, San Bernardino County Superior Court Case No. CIVSB2217232 (the “Action”).

This Agreement is entered into between Plaintiff David Melgoza, individually, and as a representative for the alleged class and aggrieved employees described below (“Plaintiff”), on one hand, and Defendant Ecology Recycling Services, LLC, (“ERS” or “Defendant”), on the other hand.

The Parties intend this Agreement to fully, finally, and forever resolve, discharge and settle the “Released Claims” (as defined below) on a class and representative action basis pertaining to the “Released Parties” (as defined below) upon and subject to the terms and conditions contained herein. This Agreement, which is contingent upon Final Court approval and the payment of the consideration set forth herein, contains the essential terms of the Parties’ agreement. The Plaintiff and Class Counsel believe, and the Parties have agreed, that the Settlement set forth herein confers substantial benefits upon the Class Members.

I. DEFINITIONS

1. Class Counsel

“Class Counsel” means the Law Office Of Scott Ernest Wheeler who, subject to Court approval, shall act as counsel for the Class.

2. Class Counsel Award

“Class Counsel Award” means attorneys’ fees and legal costs for Class Counsel’s litigation and resolution of the Action.

3. Class Information

“Class Information” means information regarding Class Members that Defendant will compile from its records and provide to the Settlement Administrator in an excel spreadsheet,

including each Class Member's full name; last known address; social security number; dates of employment; and the total number of workweeks during which each Class Member performed work for Defendant during the Class Period.

4. Class Members

"Class Member(s)" or "Class" means all current and former non-exempt employees employed by Defendant in California or continuing to be employed by Defendant in California between August 9, 2018 and the later of December 31, 2023 or the date that Preliminary Approval of this settlement is granted. Defendant estimated for purposes of mediation that there are: 37,364 workweeks worked by 401 Class Members based on the data and information available at the time of the mediation on September 20, 2023.

5. Class Period

"Class Period" is between August 9, 2018 and the earlier of December 31, 2023 or the date of preliminary approval of this settlement, inclusively.

6. Class Representative

"Class Representative" means Plaintiff David Melgoza, subject to Court approval.

7. Class Representative's Enhancement Award

"Class Representative's Enhancement Award" means the amount that the Court authorizes to be paid to Plaintiff, in recognition of Plaintiff's efforts and risks in assisting with the prosecution of the Action and in return for executing a general release with Defendant. Said enhancement is not to exceed \$3,000.00.

8. Complaint

"Complaint(s)" or "Operative Complaint" means the Second Amended Class and Representative Action Complaint filed in the Action. Plaintiff and Defendant agree to stipulate to Plaintiff filing a Second Amended Complaint in order to effectuate the terms of this Agreement which shall be filed prior to filing Plaintiff's Motion for Preliminary Approval.

9. Court

"Court" means the California Superior Court for the County of San Bernardino.

10. Effective Date

“Effective Date” means the date on which the Court’s order granting Final Approval of this Settlement becomes final. Such order becomes final upon the following events: (i) sixty five (65) days after the Court issues the order granting Final Approval of this Settlement and Final Judgment consistent with the terms of this Agreement if no objections to the settlement are filed; or (ii) if an appeal is filed and is finally disposed of by ruling, dismissal, denial, or otherwise, the effective date will be twenty (20) days after the last date for filing a request for further review of the Court of Appeal’s decision passes and no further review is requested; (iii) if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the Court of Appeal’s decision is requested, twenty (20) days after the request for review is denied with prejudice and/or no further review of the order can be requested; or (iv) if review is accepted, twenty (20) days after the California Supreme Court affirms the Final Judgment and final approval or order approving the Settlement.

11. Eligible Workweek

“Eligible Workweek(s)” means any workweek in which a Class Member worked for at least one day in California as an employee of Defendant, during the Class Period, according to Defendant’s records.

12. Final Approval Hearing

“Final Approval Hearing” means the final hearing held by the Court to ascertain the fairness, reasonableness, and adequacy of the Settlement.

13. Final Judgment

“Final Judgment” means a judgment issued by the Court approving this Settlement consistent with the terms of this Agreement as binding upon the Parties. The Final Judgment shall constitute a judgment respecting the Parties within the meaning and for purposes of California Code of Civil Procedure sections 577, 581d, and 904.1(a), and on the PAGA claims for purposes of enforcing the rule announced in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009).

14. Individual PAGA Payment

“Individual PAGA Payment(s)” means the pro rata share of the (25%) amount of the PAGA

Payment allocated to the PAGA Aggrieved Employees that each PAGA Aggrieved Employee will receive, without regard to whether he or she is a Class Member or Participating Class Member. PAGA Aggrieved Employees will not have the opportunity to opt out or object to the PAGA Payment and/or PAGA Release set forth in this Agreement although the PAGA settlement will be subject to Court approval.

15. Individual Settlement Payment

“Individual Settlement Payment(s)” means the amount paid from the Net Settlement Amount to a Participating Class Member. Any Class Member who timely submits a Request for Exclusion pursuant to the procedures set forth herein is not a Participating Class Member and is not eligible to receive an Individual Settlement Payment.

16. LWDA

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

17. Net Settlement Amount

“Net Settlement Amount” means the Gross Settlement Amount less the Court-approved Class Counsel Award, Class Representative’s Enhancement Award, PAGA Payment, and Settlement Administration Costs. The Net Settlement Amount is the amount that will be paid to Participating Class Members, in the form of Individual Settlement Payments.

18. Class Notice

“Class Notice” means the Notice of Class and Representative Action Settlement approved by the Parties and subject to Court approval, substantially in the form of **Exhibit A** hereto, explaining the terms of this Agreement and the settlement process, which the Settlement Administrator will mail to each Class Member.

19. PAGA

“PAGA” refers to the Labor Code Private Attorneys General Act of 2004, Labor Code § 2699 et seq.

20. PAGA Payment

“PAGA Payment” means the payment in the amount of \$100,000, or other amount ordered by the Court, to be paid out of the Gross Settlement Amount to the LWDA and PAGA Aggrieved

Employees in settlement of all claims for PAGA penalties.

21. PAGA Period

“PAGA Period” means June 3, 2021, to the later of Preliminary Approval or December 31, 2023.

22. PAGA Settlement Group Member

“PAGA Settlement Group Member(s)” means all Class Members employed by Defendant June 3, 2021, to the later of Preliminary Approval or December 31, 2023. Each PAGA Settlement Group Member will be paid an Individual PAGA Payment.

23. PAGA Release

“PAGA Release” shall mean any and all claims and/or causes of action for civil penalties and other relief available pursuant to PAGA against Released Parties that were or could have been pled based on any and all of the underlying allegations and/or the alleged Labor Code violations pled in the Operative Complaints in the Action and/or the LWDA notice dated June 3, 2022 during the PAGA Period. Class Members who are PAGA Aggrieved Employees and opt out of the Settlement will still be bound by the PAGA Release.

24. Participating Class Members

“Participating Class Members” means those Class Members who do not submit a valid and timely Request for Exclusion consistent with the procedures set forth in this Agreement.

25. Parties

“Parties” means Plaintiff and Defendant, collectively.

26. Preliminary Approval Date

“Preliminary Approval Date” means the date on which the Court issues an order substantially in the form attached hereto as **Exhibit 2**, and which grants preliminary approval of the Settlement.

27. Qualified Settlement Fund

“Qualified Settlement Fund” or “QSF” means the account established by the Settlement Administrator which the Parties agree will at all times be treated as a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1, *et seq.* The Parties agree the Settlement

Administrator shall, in establishing the account, make any such elections as necessary or advisable to carry out the "relation back election" (as defined in Treas. Reg. §1.468B-1(j)(2)(i)) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Settlement Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary Parties, and to cause the appropriate filing to occur. The Parties further agree and acknowledge that, for purposes of Section 468B of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations promulgated thereunder, only the Defendant shall be treated as a "transferor" (within the meaning of such term under Treasury Regulations §1.468B-1(d)(1)) with respect to the Qualified Settlement Fund.

28. Released Claims

"Released Claims" means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action, alleged in the Operative Complaint for: (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 512 and Industrial Welfare Order Nos. 1-2001, 5-2001, 7-2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Section 226.7 and Industrial Welfare Order Nos. 1-2001, 5-2001 and 7-2001, Section 12; (3) failure to pay overtime wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Order Nos. 1-2001, 5-2001, 7-2001, Section 3; (4) failure to timely pay wages pursuant to Labor Code Sections 204 and 210; (5) failure to pay all wages owed and due at termination of employment in violation of Labor Code Sections 201, 202 and 203; (6) failure to maintain required records in violation of Labor Code sections 226, 1174 and Industrial Welfare Order Nos. 1-2001, 5-2001 and 7-2001, Section 7; (7) failure to accurate itemized wage statements in violation of Labor Code section 226 and Industrial Welfare Order Nos. 1-2001, 5-2001 and 7-2001, Section 7; (8) failure to reimburse for necessary expenditures; (9) violation of the California Unfair Competition Law in violation of Business and Professions Code Section 17200; and (10) and violation of the California Private Attorneys General Act ("PAGA"), Labor Code Sections 2698, 2699 and 2699.5, predicated on the violations of the California Labor Code and Industrial Welfare Commission Wage Order Nos. 1-2001, 5-2001 and

7-2001; and any other claims whatsoever that were or could have been alleged in this case based on the facts of the Operative Complaint, including all related claims for restitution and other equitable relief under Business and Professions Code section 17200, liquidated damages, waiting-time penalties, penalties under the Labor Code Private Attorneys General Act of 2004, including but not limited to, California Business and Professions Code sections 17200, *et seq.*, 17203; California Labor Code sections 200, 201, 202, 203, 204, 206.5, 210, 218.5, 226-226.5, 226.7, 351-356, 510, *et seq.*, 512, 515, 558, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, and 2802; related IWC Wage Orders including Wage Order Nos. 1, 5 and 7.

29. Released Parties

“Released Parties” means Defendant and each of their respective parent companies, subsidiaries, affiliates, joint ventures, predecessors, successors, and related parties and all of their past and present directors, officers, shareholders, members, managers, joint employers, co-employers, professional employer organizations, insurers, integrated enterprises, attorneys, representatives, employees, and anyone else acting for any of them.

30. Request for Exclusion

“Request for Exclusion” means a letter setting forth a Class Member’s name, present address, and a statement electing to be excluded from the Settlement. Specific details of how to submit a Request for Exclusion will be provided by the Class Notice. However, any Class Members who timely and properly submit a Request for Exclusion will still receive an Individual PAGA Payment and be bound by the terms of the PAGA Release if the Class Members are PAGA Aggrieved Employees.

31. Response Deadline

“Response Deadline” means the date forty-five (45) days after the Settlement Administrator mails the Class Notice, which is the last date on which Class Members may: (a) submit a Request for Exclusion; (b) file and serve objections to the Settlement; or (c) dispute the information contained in the Class Notice.

32. Settlement Administrator

“Settlement Administrator” means Phoenix Settlement Administrators, the third-party Settlement Administrator mutually agreed to by the Parties and appointed by the Court upon Class Counsel’s motion for preliminary approval of this Settlement.

33. Settlement Administrator Costs

“Settlement Administrator Costs” means the amount to be paid to the Settlement Administrator from the Gross Settlement Amount for administration of this Settlement. References herein to actions and responsibilities of the Settlement Administrator shall be to those actions and responsibilities it shall take as set forth in the Agreement.

34. Gross Settlement Amount

“Gross Settlement Amount” means the total maximum amount payable under the terms of this Agreement by Defendant, which is the gross sum of \$900,000 and includes, without limitation: the Individual Settlement Payments to Participating Class Members; PAGA payment; payment of Settlement Administration Costs as approved by the Court; any Class Representative’s Enhancement Award to Plaintiff as approved by the Court; and a payment to Class Counsel of attorneys’ fees and reasonable litigation costs which shall be determined by motion with the Court. Payment of the amount necessary to cover the employer’s portion of payroll taxes associated with the 30% portion of the Individual Settlement Payments allocated to wages shall be made by Defendant, separate and apart from the Gross Settlement Amount. The Settlement Administrator will make all required tax deductions and payments using a Qualified Settlement Fund. As set forth herein, the Settlement Administrator will issue all of the above-referenced payments from the Qualified Settlement Fund in accordance with the applicable provisions of this Agreement.

II. RECITAL

1. Class Certification.

The Parties stipulate to class certification for purposes of Settlement Class only. If the Court does not grant either preliminary or final approval of this Settlement, the Parties agree that this stipulation regarding class certification will become null and void.

2. Procedural History.

On August 9, 2022 Plaintiff filed this Action entitled *David Melgoza v. Ecology Recycling Services, LLC*, San Bernardino County Superior Court No. CIVSB2217232 (the “Action”). The Action seeks damages and penalties for Defendant’s alleged: failure to provide required meal periods, failure to provide required rest breaks, failure to pay overtime wages, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to reimburse necessary business expenses, and any other claims whatsoever that were or could have been alleged in this case based on the facts of the complaints, including all related claims for restitution and other equitable relief under Business and Professions Code section 17200, liquidated damages, waiting-time penalties, and penalties under the Labor Code Private Attorneys General Act of 2004.

On September 20, 2023, the Parties engaged in private mediation with a well-respected wage and hour class action mediator, Tripper Ortman, Esq. Prior to mediation, Plaintiff requested and Defendant produced extensive documentation including time and pay data, policy documents, class size information, information on the number of pay periods and workweeks, and information regarding the hourly rates and workweek. In short, Defendant provided informal discovery sufficient to enable the Plaintiff and Class Counsel to rigorously evaluate the strengths, weaknesses, and risks of the case and perform an analysis of the potential damages arising from the claims made in this case.

Defendant denies any liability or wrongdoing of any kind associated with the claims asserted in the Action, disputes the damages and penalties claimed by Plaintiff, and further contends that, for any purpose other than settlement, Plaintiff’s claims are not appropriate for class or representative treatment. This Settlement is a compromise of disputed claims. Nothing contained in this Settlement, no documents referred to herein, and no action taken to carry out this Settlement, shall be construed or used as an admission by or against Defendant as to the merits or lack thereof of the claims asserted in the Action. Defendant contends, among other things, that, at all times, it has complied with all applicable state, federal and local laws related to the Class

Members' and PAGA Aggrieved Employees' employment. Nevertheless, Defendant has entered into this Settlement to avoid the cost, risk, and inconvenience of further litigation. Nothing contained in this Settlement, nor the fact of this Settlement itself, shall be construed or deemed as an admission of liability, or wrongdoing on the part of any of the Defendant, or an admission that class or representative action treatment would be allowed outside the settlement context. Pursuant to California Evidence Code sections 1152 and 1154, this Settlement shall be inadmissible in evidence in any proceeding; except that the Settlement may be filed and used in this litigation or any related litigation as necessary to approve, interpret, or enforce this Settlement, or in any subsequent action against or by Defendant to support a stay of such subsequent action, or to establish a defense of res judicata, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

The Class Representative is represented by Class Counsel. Class Counsel investigated the facts relevant to the Action, including reviewing documents and information provided by Defendant. Based on their own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement with Defendant is fair, reasonable and adequate, and in the best interest of the Class Members in light of all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendant, uncertainties regarding a class trial, and numerous potential appellate issues. Although Defendant denies any liability, Defendant is agreeing to this Settlement to avoid the cost, distraction, and risks of further litigation. Accordingly, the Parties and their counsel desire to fully, finally, and forever settle, compromise and discharge all disputes and claims arising from or relating to the Action on the terms set forth herein.

3. Benefits of Settlement to Class Members.

Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate their disputes through trial and through any possible appeals. Plaintiff has taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in litigation. Plaintiff and Class Counsel are also aware of the burdens of proof

necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing damages for the Class Members. Plaintiff and Class Counsel have considered Defendant's agreement to enter into a settlement that confers substantial relief upon the Class Members. Based on the foregoing, Class Counsel have concluded that settlement for the consideration and on the terms set forth in this Agreement, is fair, reasonable, and adequate and is in the best interest of the Class in light of all known facts and circumstances, including the risk of delay, defenses asserted by Defendant, numerous potential appellate issues, and other risks inherent in litigation.

4. Defendant's Reasons for Settlement.

Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of Defendant's time, energy, and resources have been and, unless this Settlement is completed, will continue to be devoted to, the defense of the claims asserted by Plaintiff. Defendant has also taken into account the risks of further litigation in reaching their decision to enter into this Settlement. Even though Defendant continues to contend that they are not liable for any of the claims set forth by Plaintiff in the Action, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this Agreement to put to rest the claims in the Action. Defendant maintains that they have complied with all applicable state, federal, and local laws and settlement of the Action shall not be construed as an admission of any wrongdoing by Defendant.

5. Settlement of Disputed Claims.

This Agreement is a compromise of disputed claims. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendant. Defendant has claimed and continues to claim that the Released Claims and the claims within the PAGA Release have no merit and do not give rise to liability. Nothing contained in this Agreement, no documents referred to herein, and no action taken to carry out this Agreement, may be construed or used as an admission by Defendant as to the merits of any of the claims asserted in the Action or the suitability of the Action for class or representative action treatment.

III. TERMS OF AGREEMENT

1. Release as To All Participating Class Members.

As of the Effective Date, and subject to Defendant's full payment of all consideration due hereunder, the Participating Class Members, including Plaintiff, shall be deemed to have fully released the Released Parties from the Released Claims. These releases will take effect whether or not a Participating Class Member receives his or her Individual Settlement Payment or cashes and deposits any check for the Individual Settlement Payment.

2. PAGA Release as to All Members of PAGA Settlement Group.

As of the Effective Date, and subject to Defendant's full payment of all consideration due hereunder, all PAGA Aggrieved Employees, including Plaintiff and the State of California, shall be deemed to have fully released the Released Parties from any and all claims contemplated under the PAGA Release. These releases will take effect whether or not a PAGA Aggrieved Employee receives his or her Individual PAGA Payment or cashes and deposits any check for the Individual PAGA Payment.

3. Release of Claims by Plaintiff.

As of the Effective Date, and subject to Defendant's full payment of all consideration due hereunder, Plaintiff releases, for himself only, the Released Parties from all known and unknown claims against the Released Parties, including without limitation, any Released Claims as well as other wage and hour claims, claims under California Business & Professions Code section 17200, claims under the Labor Code, including, but not limited to, claims under the PAGA, and all claims for indemnity or reimbursement of business expenses, overtime compensation, minimum wages, penalties, liquidated damages, and interest, and all other claims under state, federal, and local laws, including, without limitation, California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Fair Credit Reporting Act, the Employee Retirement Income Security Act of 1974, and all of their implementing regulations and interpretive guidelines, as well as the common law, including laws related to discrimination, harassment, or retaliation, whether known or unknown, and whether anticipated or unanticipated, arising from or relating to Plaintiff's relationship, or termination of

relationship, with any Released Party through the date of Final Approval for any type of relief. Plaintiff further covenants that he will not become a member of any other legal actions against the Released Parties, as that term is defined, asserting any of Plaintiff's released claims, and will opt out of any such actions if necessary. For the avoidance of doubt, this is a complete and general release to the maximum extent permitted by law.

Plaintiff's release set forth herein includes a waiver of all rights under California Civil Code §1542, which provides:

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.

Plaintiff may hereafter discover claims or facts in addition to, or different from, those which he now knows or believes to exist, but Plaintiff expressly agrees to fully, finally, and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant.

4. Tax Treatment.

All Individual Settlement Payments shall be allocated as follows: 30% as wages, 20% as interest, and 50% as penalties (\$100,000 of that amount to be attributed to PAGA penalties) and liquidated damages. The portion of Individual Settlement Payments allocated as wages shall be subject to required withholdings and deductions by the Settlement Administrator and shall be reported on Form W-2 (and such other state or local tax reporting forms as may be required by law) with respect to the year of payment. Individual PAGA Payments shall be treated 100% as non-wage payments for alleged penalties and shall not be subject to any withholdings or deductions. The Settlement Administrator shall issue I.R.S. Form 1099 if required for all non-wage payments. Defendant shall solely be responsible for paying the employer's share of payroll taxes on the amounts allocated as wages, which amount shall be paid separately from the Gross

Settlement Amount. Plaintiff and any Class Member should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

5. Circular 230 Disclaimer.

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

6. Preliminary Approval of Settlement.

Plaintiff will move the Court to grant preliminary approval of this Settlement consistent with the terms of this Agreement, certifying the Class for settlement purposes only and setting a date for a Final Approval Hearing. Class Counsel shall be responsible for preparing the Motion for Preliminary Approval, supporting declarations, and exhibits thereto, for preliminary approval by the Court. Plaintiff shall obtain a hearing on a date agreed upon by all counsel, before the Court to request the preliminary approval of the Settlement, and the entry of an order preliminarily approving the proposed Settlement and setting a date for a Final Approval Hearing. All Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for

preliminary approval. On the same date on which the Settlement is filed with the Court, Class Counsel shall concurrently submit it to the LWDA in compliance with PAGA. The Parties must meet and confer and make all reasonable efforts to agree on any modifications to this Agreement or other supporting documents that will result in entry of the order granting preliminary approval.

7. Settlement Administrator.

Within fifteen (15) business days of the Court granting preliminary approval of this Agreement, Defendant shall provide the Settlement Administrator with the Class Information for purposes of mailing the Class Notice. The Settlement Administrator shall maintain the Class Information as private and confidential and shall not disclose such data to any persons or entities other than Counsel for Defendant, except that, subject to Defendant's approval, relevant information can be provided to Class Counsel if necessary for Class Counsel to respond to inquiries or requests from Class Members. The Class Information is being supplied solely for purposes of the administration of the Settlement set forth in this Agreement and cannot be used by the Settlement Administrator or Class Counsel for any other purpose. The Parties agree that the Class Information will not be used to solicit Class Members to file any claim, charge, or complaint of any kind whatsoever against the Defendant and/or the Released Parties and will only be used to administer the Settlement under the terms provided herein.

No later than three (3) calendar days after receipt of the Class Information, the Settlement Administrator shall notify counsel for the Parties that the list has been received and state the number of Class Members on the list.

a. Notice by First Class U.S. Mail.

Within fifteen (15) business days of receipt of the Class Information, the Settlement Administrator will mail copies of the Class Notice via regular First-Class U.S. Mail. The form of the proposed Class Notice will be agreed to by the Parties, and subject to Court approval and modification as necessary to fulfill the Parties' desire to resolve the Action.

b. Undeliverable Notices.

Any Class Notice returned to the Settlement Administrator as undeliverable on or before the Response Deadline shall be re-mailed once to the forwarding address affixed thereto. If no

forwarding address is affixed, the Settlement Administrator shall promptly attempt to determine a correct address by use of skip-tracing, or other search using the name, address and/or social security number of the Class Member whose notice was undeliverable, and shall then re-mail all returned, undelivered mail within ten (10) days of receiving notice that a Class Notice was undeliverable. Class Members who receive a re-mailed Class Notice shall have their Response Deadline extended twenty (20) days from the original Response Deadline.

c. Disputes Regarding Individual Settlement Payments.

Class Members who disagree with the number of Eligible Workweeks stated on their Class Notice may provide documentation and/or a written explanation to the Settlement Administrator to show contrary information by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine a Class Member's eligibility for, and the amounts of, any Individual Settlement Payment under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment will be binding upon the Class Members and the Parties. Defendant's records will be given a rebuttable presumption of accuracy.

d. Disputes Regarding Administration of Settlement.

Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to attempt to resolve the dispute without involving the Court.

e. Exclusions.

Individuals who fall within the definition of the Class may choose to exclude themselves as Participating Class Members. The Class Notice shall state that Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must be in writing and: (1) contain the name and address of the Class Member requesting exclusion; (2) contain a statement expressing that the Class Member elects to be excluded from the Settlement; (3) be signed by the Class Member; and (4) be

postmarked by the Response Deadline and returned to the Settlement Administrator at the specified address. The date of the postmark on the return mailing envelope on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted.

Any Class Members who exclude themselves from the Settlement will not receive an Individual Settlement Payment and will not be bound by the Released Claims, but will be bound by the PAGA Release and will be sent their Individual PAGA Payment provided that the Class Members are PAGA Aggrieved Employees.

Every Class Member who does not validly and timely exclude themselves shall be deemed a Participating Class Member. The Parties' counsel shall receive a copy of all valid Requests for Exclusion from the Settlement Administrator within ten (10) calendar days after the Response Deadline.

f. Objections.

The Class Notice shall state that Class Members who wish to object to the Settlement may do so in person at the Final Approval Hearing and/or in writing. Any written objection ("Notice of Objection") must be mailed to the Settlement Administrator by the Response Deadline. The date of mailing on the envelope shall be deemed the exclusive means for determining that a Notice of Objection was timely received. The Notice of Objection must be signed by the Class Member and state: (1) the full name and address of the objecting Class Member; (2) the basis for the objection; and (3) whether the Class Member intends to appear at the Final Approval Hearing. Class Counsel will ensure that any Notice of Objection received by the Settlement Administrator by the Response Deadline is filed with the Court along with the Motion for Final Approval. Any of the Parties may file a response to any objection before the Final Approval Hearing. Any attorney who will represent an individual objecting to this Settlement who has not filed a written objection must file a notice of appearance with the Court and serve Class Counsel and counsel for Defendant with this notice no later than the Response Deadline. It will also inform Class Members that if they first request exclusion from, and opt out of, the Class and then object, the objections would not be considered valid and that if the Class Members object and then request exclusion from, and opt

out of the Class, the Class Members would be deemed to have waived their objection.

8. No Solicitation of Settlement Objections or Exclusions.

The Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit either written objections to the Settlement or Requests for Exclusion, or to appeal from the Court's Final Judgment.

9. Funding of the Qualified Settlement Fund.

No later than ten (10) business days after the Effective Date, the Settlement Administrator shall send Defendant's Counsel electronic wiring instructions for paying the Gross Settlement Amount into the QSF and shall inform Defendant of the amount to be sent to the QSF to pay for the employer's share of payroll taxes under this Settlement. No later than thirty (30) calendar days after the Effective Date, Defendant shall fund the QSF.

10. Net Settlement Amount.

The Net Settlement Amount will be determined by the Settlement Administrator by subtracting the Class Counsel Award, Class Representative's Enhancement Award, PAGA Payment, and Settlement Administrator Costs approved by the Court from the Gross Settlement Amount. The anticipated Net Settlement Amount is \$495,000. The Parties estimate the amount of the Net Settlement Amount to be calculated as follows:

Gross Settlement Amount:	\$900,000
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Requested Class Rep. Enhancement Award:	\$3,000
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Award:

Requested Class Counsel Fees:	\$300,000
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Requested Class Counsel Costs:	\$17,000
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75% of PAGA Payment to the LWDA:	\$75,000
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Settlement Administrator Costs:	\$10,000
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Net Settlement Amount	\$495,000
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This is a non-reversionary Settlement in which Defendant will pay the entire Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendant. Any

award of less than the amounts requested for enhancements, administrative costs, litigation costs, or attorneys' fees will be returned to the Net Settlement Amount and distributed to the Class.

a. Individual Settlement Payments.

Individual Settlement Payments will be paid from the Net Settlement Amount and shall be paid pursuant to the settlement formula as follows: (i) using the Class Information, the Settlement Administrator will compute the total number of Eligible Workweeks of all Participating Class Members collectively during the Class Period; this sum shall be known as the Workweek Total; (ii) the Settlement Administrator will divide the Net Settlement Amount by the Workweek Total to determine the settlement value for each Eligible Workweek (the "Workweek Value"); and (iii) the Settlement Administrator will multiply the number of Eligible Workweeks of a Participating Class Member during the Class Period by the Workweek Value to determine that Participating Class Member's Individual Settlement Payment.

Participating Class Members and Class Counsel shall be solely responsible for the reporting and payment of their share of any federal, state, and/or local income tax or other tax or any other withholdings, if any, on any of the payments made pursuant to this Settlement. Defendant makes no representation, and it is understood and agreed that Defendant has made no representation, as to the taxability to any Class Members of any portion of the Individual Settlement Payments, Individual PAGA Payments, the payment of any Class Counsel Award, or the payment of the Class Representative's Enhancement Award. The Class Notice will advise each Class Member to seek his/her own personal tax advice prior to acting in response to the Class Notice, and Defendant, the Class Representative, and Class Counsel agree that each Class Member will have an adequate opportunity to seek tax advice prior to acting in response to the Class Notice.

The Settlement Administrator will report each payment made from the Qualified Settlement Fund to state and federal government authorities, including the Internal Revenue Service, to the extent required by law.

Individual Settlement Payments shall be mailed by regular First-Class U.S. Mail to each Participating Class Member's last known mailing address within fifteen (15) days after Defendant fully funds the Settlement.

11. Individual PAGA Payments

The Individual PAGA Payment will be an equal payment to all PAGA Aggrieved Employees, calculated as follows: 25% of the PAGA Payment which will be paid from the Net Settlement Amount pursuant to the settlement formula as follows: (i) using the Class Information for the PAGA Period, the Settlement Administrator will compute the total number of Eligible Workweeks of all PAGA Aggrieved Employees collectively during the PAGA Period; this sum shall be known as the Workweek Total; (ii) the Settlement Administrator will divide the Net Settlement Amount by the Workweek Total to determine the settlement value for each Eligible Workweek (the "Workweek Value"); and (iii) the Settlement Administrator will multiply the number of Eligible Workweeks of a PAGA Aggrieved Member during the PAGA Period by the Workweek Value to determine that Participating PAGA Aggrieved Employee's Individual Settlement Payment. If any additional amount is ordered by the Court to be paid for PAGA civil penalties the court-ordered PAGA Payment shall be paid from the Gross Settlement Amount; in no event shall Defendant be required to pay in excess of the Gross Settlement Amount. Individual PAGA Payment checks shall be mailed by regular First-Class U.S. Mail to each PAGA Aggrieved Employee's last known mailing address within fifteen (15) days after Defendant fully funds the Settlement.

12. Unclaimed Settlement Payment(s).

After one hundred and eighty (180) days of the mailing of the Individual Settlement Payment checks and Individual PAGA Payment checks, funds attributable to unclaimed, undeliverable, or expired checks ("Unclaimed Settlement Payments") shall be distributed to the State of California State Controller's Office Unclaimed Property Division in the name of the Class member or PAGA Aggrieved Employee

13. Class Representative's Enhancement Awards.

Defendant agrees not to oppose or object to Plaintiff's application to the Court for a Class Representative's Enhancement Award of \$3,000. The Class Representative's Enhancement Award shall be paid by the Settlement Administrator to Plaintiff from the Gross Settlement Amount no later than fifteen (15) days after Defendant fully funds the Settlement. The Class Representative's

Enhancement Award shall be in addition to Plaintiff's Individual Settlement Payment as a Class Member. Any amount requested by Plaintiff for the Class Representative's Enhancement Award and not granted by the Court shall return to the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement.

14. Class Counsel Award.

Defendant agrees not to oppose or object to any application or motion by Class Counsel for attorneys' fees in the amount of up to thirty-three and one-third percent (\$300,000) of the Gross Settlement Amount. Defendant further agrees not to oppose any application or motion by Class Counsel for the reimbursement of reasonable litigation costs and expenses associated with Class Counsel's prosecution of this matter, to be paid from the Gross Settlement Amount, not to exceed \$17,000. Class Counsel shall be paid the Class Counsel Award by the Settlement Administrator no later than seven (7) days after Defendant fully funds the Settlement. Any amount requested by Class Counsel for the Class Counsel Award and not granted by the Court shall be included in the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement. Class Counsel have entered into a fee sharing agreement, consented to in writing by Plaintiff, which complies with the requirements of California law.

15. Settlement Administrator Costs.

The Parties agree to allocate up to \$10,000 of the Gross Settlement Amount for Settlement Administrator Costs. The Settlement Administrator shall have the authority and obligation to make payments, credits and disbursements to Participating Class Members in the manner set forth herein, calculated in accordance with the methodology set out in this Agreement and orders of the Court. The Parties agree to cooperate in the Settlement administration process and to make reasonable efforts to control and minimize the cost and expenses incurred in administration of the Settlement.

In the event an appeal is filed from the Court's Final Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, but any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from the Court's Final Judgment or any other appellate review, shall be paid to the Settlement Administrator by Defendant within thirty (30) days of said

notification.

a. Responsibilities of the Settlement Administrator.

In addition to establishing the Qualified Settlement Fund, the Settlement Administrator shall be responsible for the following: creating a plan of settlement administration and settlement fund distribution; using the data provided by Defendant to calculate each Class Member's approximate Individual Settlement Payment; ascertaining the identity and whereabouts of the Class Members and mailing the Class Notice to them; communicating with Class Members as necessary; printing and mailing the Class Notice and tax forms to the Participating Class Members as directed by the Court; receiving and reporting Requests for Exclusion and objections; processing and mailing payments to Plaintiff, Class Counsel, and Participating Class Members; notifying the Parties of, and resolving any disputes regarding, the calculation of Class Members' Individual Settlement Payment; complying with all tax reporting notice and filing requirements; carrying out all other duties related to the Qualified Settlement Fund's documentation and filing; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; providing status reports as needed, among other administrative duties; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities.

16. Payment to the LWDA.

Seventy-five percent (75%) of the PAGA Payment (\$100,000) will be paid by the Settlement Administrator to the LWDA from the funding of the Gross Settlement Amount. Any additional amount ordered by the Court to be paid as the PAGA Payment shall be paid from the Gross Settlement Amount; in no event shall Defendant be required to pay in excess of the Gross Settlement Amount. The LWDA shall be paid its portion of the court-approved PAGA Payment no later than fifteen (15) days after Defendant fully funds the Settlement. Any amount requested for the PAGA Payment and not granted by the Court shall be included in the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement.

17. Final Approval Hearing and Entry of Final Judgment.

Upon expiration of the Response Deadline, with the Court's permission, a Final Approval Hearing shall be conducted to determine whether the Settlement will be finally approved, including the requested Class Counsel Award, the requested Class Representative's Enhancement Award, the PAGA Payment, and Settlement Administrator Costs.

18. Final Approval Order.

The Parties will request that the Court enter, after the Final Approval Hearing, an order granting final approval and a Final Judgment. The proposed order granting final approval will certify the Class; find that this Agreement is fair, just, adequate, and in the best interests of the Class; approve the PAGA Payment; address other terms of the Settlement; and require the Parties to carry out the provisions of this Agreement. The Parties shall jointly prepare the proposed order granting final approval. Plaintiff shall be responsible for preparing the Motion for Final Approval, and any motion requesting the Class Counsel Award and Class Representative's Enhancement Award, supporting declarations, and exhibits thereto, for final approval by the Court. Class Counsel agrees to provide Counsel for Defendant with drafts of all documents they intend to submit in support of their Motion for Final Approval at least seven days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on such papers and further agrees to reasonably incorporate the comments from Counsel for Defendant. The Parties must meet and confer and make all reasonable efforts to agree on any modifications to this Agreement or other supporting documents that will result in entry of the order granting final approval.

19. Nullification of Settlement/Options.

In the event: (i) the Court denies preliminary approval of the Settlement despite the reasonable efforts of the Parties; (ii) the Court denies final approval of the Settlement despite the reasonable efforts of the Parties; (iii) the Court refuses to enter a Final Judgment as provided herein; or (iv) the Settlement does not become final for any other reason, this Settlement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning. In that event, any fees already incurred by the

Settlement Administrator shall be split equally by the Parties.

If more than 5% of Class Members submit valid Requests for Exclusion, Defendant has the option to nullify this settlement within fifteen (15) business days of notification by the Settlement Administrator after the Response Deadline of the total number of Requests for Exclusion, via a written notice to Plaintiff's counsel. If Defendant exercises this option, the Settlement will become void and unenforceable in its entirety and the Parties shall be returned to their status as if this Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by Defendant terminating the Settlement.

It is estimated that there are approximately 401 Class Members who worked an estimated 37,354 workweeks during the Class Period as of September 2023. Should the number of workweeks in the Class Period increase by more than 12.5% (4,669 workweeks) or exceed a total of 42,023 workweeks, Defendant will have the option to increase the Gross Settlement Amount by a proportionate additional amount for each additional workweek or, if Defendant declines to exercise this option, the Gross Settlement Amount will cover no more than 4,669 additional workweeks (12.5% more than 37,354, the number of workweeks disclosed in advance of the mediation), and the Release date will be moved back to only cover the Class and PAGA Periods during which no more than 42,023 workweeks were worked by the Class Members.

20. Class Certification.

The Parties are agreeing to class certification for settlement purposes only. This Agreement shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that certification of a class for trial or any other purpose is appropriate or proper or that Plaintiff can establish any of the requisite elements for class or representative treatment of any of the claims in the Agreement.

If, for any reason, the Settlement is not approved, this Agreement will be void and unenforceable, and the Parties will be restored to their respective positions as if the Class had never been certified. The Parties further agree that this Agreement will not be admissible in this or any other proceeding as evidence that (i) a class action should be certified or not decertified; (ii) either matter may proceed as a representative action; or (iii) Defendant has any obligation or liability to

Plaintiff or any Class Member other than according to the Settlement's terms. In the event the Settlement is not approved or otherwise voided, Defendant expressly reserves all rights to challenge certification of a class, or Plaintiff's ability to maintain a representative action, for all purposes.

21. Confidentiality Provision

The Parties agree to keep the Settlement confidential up to and until the Court grants preliminary approval of the Settlement, except as required to seek preliminary approval from the Court, including filing the Agreement with the Court. Thereafter, the Parties will agree to make no comments to the media, issue any press release, or otherwise publicize the terms of the Settlement, except that in response to media inquiries the Parties may refer the inquirer to the Settlement documents filed in Court. Nothing within this Agreement prevents counsel for Plaintiff from referring to this Settlement for purposes of qualification and adequacy of counsel in pending or future unrelated proceedings. To the extent there are questions, the Parties will confer as to appropriate statements, if any, to be made. Plaintiff has been advised to keep this Settlement confidential until preliminary approval is granted.

22. No Effect on Employee Benefits.

Amounts paid to Plaintiff, Participating Class Members and/or PAGA Aggrieved Employees pursuant to this Settlement shall be deemed not to have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.), if any, for which Plaintiff or Participating Class Members or PAGA Aggrieved Employees were eligible during their employment.

23. No Admission by Defendant.

Defendant denies any and all claims alleged in the Action and denies all wrongdoing whatsoever. This Agreement is not a concession or admission and shall not be used against Defendant as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant.

24. Representation.

All Parties have been represented by counsel throughout all negotiations which preceded

the execution of this Settlement, and all Parties have been advised by counsel prior to entering into this Settlement.

Class Counsel represents that they do not currently represent any current or former employee who worked for Defendant in connection with any other filed or anticipated claims, charges, grievances, or complaints against Defendant. Class Counsel also represent that Class Counsel have not used any information obtained in the Action to solicit or assist any other persons or attorneys to commence a claim or proceeding against Defendant.

25. Exhibits and Headings.

The terms of this Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

26. Interim Stay of Proceedings.

Upon full execution of this Agreement, the Parties agree that the Action shall be stayed in their entirety except for the proceedings necessary to implement and complete the Settlement.

27. Amendment or Modification.

This Agreement may be amended or modified only by a written instrument signed by the Parties or their successors-in-interest.

28. Entire Agreement.

This Agreement and any attached Exhibits, including specifically the executed Memorandum of Understanding dated September 20, 2023, constitute the entire Agreement among these Parties, and no oral or written representations, warranties, or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties, and covenants contained and memorialized in the Agreement and its Exhibits. The Parties are entering into this Agreement based solely on the representations and warranties herein and not based on any promises, representation, and/or warranties not found herein.

29. Authorization to Enter into Settlement.

Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The person signing this Agreement on behalf of Defendant represents and warrants that he or she is authorized to do so. Plaintiff represents and warrants that he is authorized to sign this Agreement and he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

30. Binding on Successors and Assigns.

This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto.

31. California Law Governs.

All terms of this Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

32. Counterparts.

This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

33. Jurisdiction of the Court.

Pursuant to California Code of Civil Procedure section 664.6 and as otherwise allowed by law, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Agreement

and all orders and judgments entered in connection therewith.

34. Invalidity of Any Provision.

Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

WHEREFORE, Plaintiff, on behalf of himself and as the Class Representative on behalf of the Class Members and as the Representative on behalf of the PAGA Aggrieved Employees, and Defendant have executed this Agreement as of the dates set forth below.

IT IS SO AGREED:

Dated: 10/23/2023

DocuSigned by:

63D287E08EC84A8
By: DAVID MELGOZA

Dated: _____

ECOLOGY RECYCLING SERVICES, LLC,

By: _____

Print Name: _____

Title: _____

APPROVED AS TO FORM AND CONTENT:

Dated: _____

LAW OFFICES OF SCOTT ERNEST WHEELER

By: _____

Scott Ernest Wheeler
Justin A. Wheeler
Attorneys for Plaintiff and the Proposed Class

Dated: _____

JACKSON LEWIS, P.C.

By: _____

Paul F. Sorrentino
Daniel S. Smith
Attorneys for Defendant Ecology Recycling
Services, LLC

and all orders and judgments entered in connection therewith.

34. Invalidity of Any Provision.

Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

WHEREFORE, Plaintiff, on behalf of himself and as the Class Representative on behalf of the Class Members and as the Representative on behalf of the PAGA Aggrieved Employees, and Defendant have executed this Agreement as of the dates set forth below.

IT IS SO AGREED:

Dated: _____

By: _____
DAVID MELGOZA

Dated: _____

ECOLOGY RECYCLING SERVICES, LLC,

By: _____

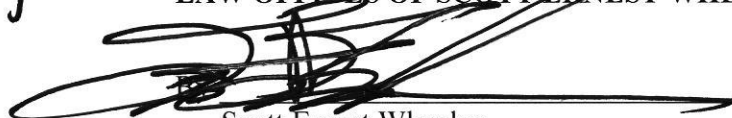
Print Name: _____

Title: _____

APPROVED AS TO FORM AND CONTENT:

Dated: _____

 **LAW OFFICES OF SCOTT ERNEST WHEELER**



Scott Ernest Wheeler
Justin A. Wheeler
Attorneys for Plaintiff and the Proposed Class

Dated: _____

JACKSON LEWIS, P.C.

By: _____

Paul F. Sorrentino
Daniel S. Smith
Attorneys for Defendant Ecology Recycling
Services, LLC

and all orders and judgments entered in connection therewith.

34. Invalidity of Any Provision.

Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

WHEREFORE, Plaintiff, on behalf of himself and as the Class Representative on behalf of the Class Members and as the Representative on behalf of the PAGA Aggrieved Employees, and Defendant have executed this Agreement as of the dates set forth below.

IT IS SO AGREED:

Dated: _____

By: _____
DAVID MELGOZA

Dated: October 27, 2023

ECOLOGY RECYCLING SERVICES, LLC,

By:  _____

Print Name: HERBERT RUCK

Title: PRESIDENT

APPROVED AS TO FORM AND CONTENT:

Dated: _____

LAW OFFICES OF SCOTT ERNEST WHEELER

By: _____
Scott Ernest Wheeler
Justin A. Wheeler
Attorneys for Plaintiff and the Proposed Class

Dated: October 27, 2023

JACKSON LEWIS, P.C.

By:  _____
Paul F. Sorrentino
Daniel S. Smith
Attorneys for Defendant Ecology Recycling
Services, LLC

EXHIBIT A

CLASS NOTICE

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

Why should you read this Notice?

A proposed settlement (the "Settlement") has been reached in the class action lawsuit entitled *David Melgoza v. Ecology Recycling Services, LLC*, Superior Court of the State of California for the County of San Bernardino, Case No.: CIVSB2217232 (the "Action"). The Court only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final approval hearing.

You may be entitled to money from this Settlement. Ecology Recycling Services, LLC. ("Defendant") records show that you belong to the following "Class" of all current and former employees nonexempt, hourly employees who worked at Defendant at any time during the Class Period and therefore are a "Class Member". You may also qualify for a penalties payment pursuant to the Private Attorneys General Act of 2004 ("PAGA"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

Your options are further explained in this Notice. To exclude yourself from, object to the Settlement, or dispute the workweeks attributed to you, you must take action by certain deadlines. If you want to participate in the Settlement as proposed, you do not need to do anything to obtain your share of the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	If you do nothing, you will be considered part of the Settlement Class and will receive settlement benefits. You will also give up your rights to pursue a separate legal action against Defendant for the claims released under the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	If you do not wish to participate in the Settlement, you may exclude yourself by submitting a written request to be excluded. However, if you do so, you will not receive any payment under the Settlement. If you exclude yourself from the Settlement, you will still receive your payment for penalties under the PAGA if you are eligible.
OBJECT	To object to the Settlement, you may object orally at the Final Approval Hearing, or you may write to the Settlement Administrator about why you do not like the Settlement. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following Class:

All hourly, non-exempt employees who worked for Defendant in California at any time from August 9, 2018 through (INSERT PRELIMINARY APPROVAL DATE) ("Class Period").

According to Defendant's records, you are a member of the Class (a "Class Member").

Also, according to Defendant's records, you were employed from June 2, 2021 to (INSERT PRELIMINARY APPROVAL DATE), and are therefore a PAGA Allegedly Aggrieved Employee as well.

What is this case about?

In the Action, David Melgoza ("Plaintiff") alleges on behalf of himself and the Class the following claims against Defendant: (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 512 and Industrial Welfare Order Nos. 1-2001, 5-2001, 7-2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Section 226.7 and Industrial Welfare Order Nos. 1-2001, 5-2001 and 7-2001, Section 12; (3) failure to pay overtime wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Order Nos. 1-2001, 5-2001, 7-2001, Section 3; (4) failure to timely pay wages pursuant to Labor Code Sections 204 and 210; (5) failure to pay all wages owed and due at termination of employment in violation of Labor Code Sections 201, 202 and 203; (6) failure to maintain required records in violation of Labor Code sections 226, 1174 and Industrial Welfare Order Nos. 1-2001, 5-2001 and 7-2001, Section 7; (7) failure to accurate itemized wage statements in violation of Labor Code section 226 and Industrial Welfare Order Nos. 1-2001, 5-2001 and 7-2001, Section 7; (8) failure to reimburse for necessary expenditures; (9) violation of the California Unfair Competition Law in violation of Business and Professions Code Section 17200; and (10) and violation of the California Private Attorneys General Act ("PAGA"), Labor Code Sections 2698, 2699 and 2699.5.

Defendant denies any and all wrongdoing and maintains that it has complied with all laws alleged to have been violated in the Second Amended Class Action Complaint ("Operative Complaint") filed by Plaintiff as part of this Settlement. The Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses, however, the Court has granted preliminary approval of this Settlement.

This Settlement is a compromise reached after good faith, arms length negotiations between Plaintiff and Defendant (the "Parties"), through their attorneys and a mediator. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate, and reasonable. Plaintiff and Class Counsel believe this Settlement is in the best interests of the Class.

Who are the attorneys in this Lawsuit?

Class Counsel

THE LAW OFFICE OF SCOTT ERNEST WHEELER

Scott Ernest Wheeler
Jusitn A. Wheeler
250 West First Street, Ste. 216
Claremont, CA 91711
Telephone: (909) 621-4988

Defendant's Counsel

JACKSON LEWIS, P.C.

Paul F. Sorrentino
Daniel S. Smith
225 Broadway, Suite 2000
San Diego, California
Telephone: (619) 573-4900

What will I receive under the Settlement?

Subject to final Court approval, Defendant will pay the total sum of \$900,000 (the "Gross Settlement Amount"). It is estimated that, subject to Court approval, after deducting the attorney's fees and costs, service awards to Plaintiff, payment to the California Labor and Workforce Development Agency ("LWDA") and Aggrieved Employees for PAGA penalties, and settlement administration costs from Gross Settlement Amount, there will be a Net Settlement Amount of at least \$ [REDACTED].

From this Net Settlement Amount, Individual Settlement Payments will be paid to each Class Member who does not opt out of the Settlement Class ("Settlement Class Member"). The Net Settlement Amount shall be divided among all Settlement Class Members based on the ratio of the number of Compensable Workweeks worked by each Settlement Class Member to the total number of Workweeks worked by all Settlement Class Members, calculated based on Defendant's records.

According to Defendant's records, during the period of August 9, 2018, through [REDACTED], you worked [REDACTED] Compensable Workweeks in California, and therefore, your settlement payment as a Class Member is estimated to be \$ [REDACTED].

According to Defendant's records, during the period of June 3, 2021 to [REDACTED], you worked [REDACTED] PAGA Pay Periods in California, and therefore, your PAGA payment is estimated to be \$ [REDACTED].

Your settlement payments are only estimates, and the recovery will vary. Your actual settlement payments may be higher or lower than estimated. The estimated range of possible recoveries for Class Members varies from [redacted] to [redacted]. Your estimated recovery is [redacted]. PAGA Payments for penalties to PAGA Aggrieved Employees will range from [redacted] to [redacted]. Your estimated PAGA Payment is [redacted].

If you wish to dispute the number of Compensable Workweeks credited to you, you must submit a written dispute to the Settlement Administrator at [redacted] by mail, postmarked no later than [Response Deadline], or by e-mail by [redacted]. The dispute must: (1) contain your full name, current address, telephone number, the last four digits of your Social Security number or full employee ID number; (2) contain the case name and case number; (3) contain a clear statement explaining that you wish to dispute the number of Compensable Workweeks and the basis for your dispute; and (4) and be signed by you. You may also dispute your PAGA Pay Periods by following the same process you can dispute your Compensable Workweeks set forth above. You should attach all documentation in support of your dispute.

When and how will I receive payment?

If the Court grants final approval of the Settlement, and only after the Effective Date of the Settlement defined below, the Settlement Administrator will send you a settlement check. The settlement approval process takes time so please be patient.

Any settlement payment checks mailed to you under the Settlement shall remain negotiable for 180 days. If you do not negotiate (e.g., cash or deposit) a settlement check within this time period, you will be unable to receive those funds, but you will remain bound by the terms of the Settlement. Any funds that are not timely negotiated by a Settlement Class Member or a PAGA Allegedly Aggrieved Employee will be paid to the State of California State Controller's Office Unclaimed Property Division in the name of the Settlement Class Member or a PAGA Aggrieved Employee.

The settlement payment issued to you will be allocated as follows: thirty percent (30%) as wages, fifty percent (50%) as penalties and twenty percent (20%) as interest. The wage portion of the Individual Settlement Payment shall be subject to withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payment. None of the Parties or attorneys make any representations concerning the tax implications of this payment. Settlement Class Members may wish to consult with their own tax advisors concerning the tax consequences of the Settlement.

How will the lawyers be paid and how will other funds under the Settlement be distributed?

Class Counsel will ask the Court to award attorneys' fees up to Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) or 1/3 of the Gross Settlement Amount, and reimbursement of reasonable litigation costs not to exceed \$17,000. In addition, Class Counsel will ask the Court to authorize Class Representative Service Award payments of up to \$3,000 for his efforts in representing the Class. The cost of administering the Settlement will not exceed \$10,000. A payment in the amount of \$75,000 will also be made to the LWDA for its share of PAGA penalties, while \$25,000 will be paid to PAGA Allegedly Aggrieved Employees. Any of these amounts not awarded by the Court will be included in the estimated net settlement of \$ [redacted] and will be distributed to Settlement Class Members.

What claims are being released by the proposed Settlement?

As of the date that the Gross Settlement Amount is fully-funded by Defendant, and in exchange for the consideration provided under this Settlement, Settlement Class Members shall fully and finally release and discharge Released Parties, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action, alleged in the operative Complaint for: (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 512 and Industrial Welfare Order Nos. 1-2001, 5-2001, 7-2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Section 226.7 and Industrial Welfare Order Nos. 1-2001, 5-2001 and 7-2001, Section 12; (3) failure to pay overtime wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial

Welfare Order Nos. 1-2001, 5-2001, 7-2001, Section 3; (4) failure to timely pay wages pursuant to Labor Code Sections 204 and 210; (5) failure to pay all wages owed and due at termination of employment in violation of Labor Code Sections 201, 202 and 203; (6) failure to maintain required records in violation of Labor Code sections 226, 1174 and Industrial Welfare Order Nos. 1-2001, 5-2001 and 7-2001, Section 7; (7) failure to accurate itemized wage statements in violation of Labor Code section 226 and Industrial Welfare Order Nos. 1-2001, 5-2001 and 7-2001, Section 7; (8) failure to reimburse for necessary expenditures; (9) violation of the California Unfair Competition Law in violation of Business and Professions Code Section 17200; and (10) and violation of the California Private Attorneys General Act ("PAGA"), Labor Code Sections 2698, 2699 and 2699.5, predicated on the violations of the California Labor Code and Industrial Welfare Commission Wage Order Nos. 1-2001, 5-2001 and 7-2001 as alleged in the Operative Complaint and the PAGA Notice dated June 3, 2022. This release shall apply to all claims arising at any point during the Class Period.

In addition, Plaintiff and the State of California will release all claims for civil penalties only under the PAGA") in the Operative Complaint and that Plaintiff and the State of California are fully and irrevocably releasing the Released Parties from, in exchange for the consideration provided by this Settlement. Plaintiff and the State of California will only release claims alleged in the LWDA Notice and within the Operative Complaint. In particular, the released claims include the underlying purported violations for: any and all claims and/or causes of action for civil penalties and other relief available pursuant to PAGA against Released Parties that were or could have been pled based on any and all of the underlying allegations and/or the alleged Labor Code violations pled in the original and amended Complaints in the Action and/or the LWDA notice during the PAGA Period, as alleged in the Operative Complaint and the LWDA Notice dated June 3, 2022.

Released Parties collectively mean: Defendant and each of its respective parent companies, subsidiaries, affiliates, joint ventures, predecessors, successors, and related parties and all of their past and present directors, officers, shareholders, members, managers, joint employers, co-employers, professional employer organizations, insurers, integrated enterprises, attorneys, representatives, employees, and anyone else acting for any of them.

Effective Date means the date on which the Court's order granting Final Approval of this Settlement becomes final. Such order becomes final upon the following events: (i) sixty five (65) days after the Court issues the order granting Final Approval of this Settlement and Final Judgment consistent with the terms of this Agreement if no objections to the settlement are filed; or (ii) if an appeal is filed and is finally disposed of by ruling, dismissal, denial, or otherwise, the effective date will be twenty (20) days after the last date for filing a request for further review of the Court of Appeal's decision passes and no further review is requested; (iii) if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the Court of Appeal's decision is requested, twenty (20) days after the request for review is denied with prejudice and/or no further review of the order can be requested; or (iv) if review is accepted, twenty (20) days after the California Supreme Court affirms the Final Judgment and final approval or order approving the Settlement.

What are my options?

You have several options under this Settlement. You may: (A) remain in the Class and receive payment under the Settlement; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement.

OPTION A. Remain in the Class. If you remain in the Class, you will receive payment and be represented by Class Counsel. If you wish to remain in the Class and be eligible to receive a payment under the Settlement, you do *not* need to take any action. By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

OPTION B. If You Do Not Want To Be Bound By The Settlement. If you do not want to be part of the Settlement, you must mail a Request for Exclusion to the Settlement Administrator at [redacted] or e-mail a Request for Exclusion to Phoenix Settlement Administrators by the [Response Deadline]. Your Request for Exclusion must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number;

and (3) a clear statement you are electing to be excluded from the Settlement; and (4) be signed by you. In order to be timely, your Request for Exclusion must be postmarked, or e-mailed, on or before [REDACTED]. If you do not submit a valid and timely Request for Exclusion, your Request for Exclusion will be rejected, you will be deemed a member of the Settlement Class, and you will be bound by the release of Released Claims as described above. If you submit a valid and timely Request for Exclusion, you will *not* be entitled to any payment as a Class Member from the Net Settlement Amount but you will preserve all of the legal claims asserted in this Action against Defendant. If you are a PAGA Allegedly Aggrieved Employee, you will still receive a PAGA payment and be subject to the PAGA release outlined above even if you submit a Request for Exclusion. The Request for Exclusion form is enclosed with this notice for your convenience.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate in any way, you may object to it orally or in writing. To object, you can appear at the Final Approval Hearing and make an oral objection in Department S-17 of the San Bernardino County Superior Court, located at 247 W. 3rd Street, San Bernardino, California or make a written objection. You may make a written Objection to the Settlement which should be mailed to the Settlement Administrator at Post Office Box 7208, Orange, CA 92863, a written statement of objection, or e-mail the written objection to Info@phoenixclassaction.com. The written Objection must contain the following: (a) your full name, address, telephone number, and the last four digits of your social security number; (b) the case name and case number; (c) the dates of employment with Defendant; (d) a concise statement of the reasons for objecting; and (e) be signed by you. In order to be timely, the written objection should be postmarked, or e-mailed, on or before [REDACTED]. Class Counsel will provide the Court with your written objection prior to the Final Approval Hearing. You can also hire an attorney at your own expense to represent you in your objection. The Objection Form is enclosed with this notice for your convenience.

You cannot object to the Settlement if you request exclusion from the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a final approval hearing regarding the fairness, reasonableness, and adequacy of the proposed Settlement and the plan of distribution of the payments described herein, on [REDACTED] in Department S-17 of the Superior Court of California, County of San Bernardino, 247 West 3rd Street, San Bernardino, California 92415. The final approval hearing may be continued without further notice to Class Members unless you filed an objection to the Settlement and the Settlement Administrator will notify you if the final approval hearing is continued. You may appear at the Final Approval Hearing at your expense, either in person, telephonically, or through an attorney at your own expense. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement.

How can I get additional information?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, are accessible and may be examined: (a) online on the Superior Court of California, County of San Bernardino's Website at <https://www.sb-court.org/> or (b) in person at Records, Superior Court of California, County of San Bernardino, 247 West 3rd Street, San Bernardino, California 92415, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

EXHIBIT B

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO JUSTICE CENTER**

DAVID MELGOZA, individually, and on
behalf of all others similarly situated,

Plaintiff,

v.

ECOLOGY RECYCLING SERVICES, LLC,
a California Limited Liability Company; and
DOES 1 through 10, inclusive,

Defendants.

CASE NO.: CIVSB2217232

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL**

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1 of the Class; and (5) a class action is superior to other available methods for the fair and efficient
2 adjudication of the controversy.

3 5. The Court appoints, for settlement purposes, Plaintiff David Melgoza as Representative
4 for the Class.

5 6. The Court appoints, for settlement purposes, Scott Ernest Wheeler of the Law Office of
6 Scott Ernest Wheeler as Class Counsel.

7 7. The Parties are ordered to carry out the Settlement according to the terms of the
8 Settlement Agreement.

9 8. The Court appoints Phoenix Class Action Administrators as the Settlement
10 Administrator and is ordered to carry out the administration of the settlement according to the terms of
11 the Settlement Agreement.

12 9. The Court approves as to form and content of the Class Action and PAGA Settlement
13 Notice. The Court finds that the dates selected for the mailing and distribution of the Notice Packet
14 meet the requirements of due process, provide the best notice practicable under the circumstances, and
15 shall constitute due and sufficient notice to all persons entitled thereto.

16 10. Phoenix Class Action Administration Solutions, the Settlement Administrator, shall
17 provide notice to any objecting party of any continuance of the hearing of Plaintiff's Motion for Final
18 Approval.

19 11. The Parties are ordered to carry out the Settlement according to the following
20 implementation schedule:

Event	Date
Last day for Defendant to provide the Settlement Administrator with the Class Information	
Last day for Settlement Administrator to mail Class Notice	

1	Last day for Class Members to submit a dispute regarding	
2	Workweeks, Request for Exclusion, or written Objection	
3	Last Day for Plaintiff to file Motion for Final Approval Class	
4	and Representative Action, Attorney's Fees and Costs,	
5	Service Award and Administration costs.	
6	Final Approval Hearing	

12. At the Final Approval Hearing, the Court will consider, *inter alia*, whether the Settlement should be finally approved as fair, reasonable, and adequate, whether a final judgment should be entered in favor of Plaintiff, and whether the payments provided for under the Settlement, including attorneys' fees, costs, and class representative service award, should be finally approved and granted.

13. Pending the Final Approval Hearing, all proceedings in this Action, other than proceedings necessary to implement the Settlement and this Order, are stayed.

IT IS SO ORDERED.

Dated: _____, 2023

HONORABLE JOSEPH ORTIZ
JUDGE OF THE SUPERIOR COURT