

## **CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AND RELEASE OF CLAIMS**

This Class Action and Private Attorneys General Act Settlement and Release of Claims (“Agreement”) is made by and between Plaintiffs Fabio Escobar and Lisandro Reyes (collectively, the “Plaintiffs” or “Class Representatives”) and Defendant Biagi Bros., Inc. (hereinafter “Biagi Bros” or “Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as a “Party.”

### **1. DEFINITIONS.**

- 1.1 “Action” means the Plaintiffs’ putative class action and PAGA representative action lawsuit entitled *Fabio Escobar et al. v. Biagi Bros., Inc.* alleging various wage-and-hour violations against Defendant, initiated on December 23, 2022, in the County of Los Angeles. The Parties subsequently stipulated to transfer the matter to Sonoma County Superior Court, so the case is now pending in Superior Court of the State of California, County of Sonoma as Case No. 23CV00749.
- 1.2 “Administrator” means Apex Class Action (“Apex”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employees” means the State of California plus all persons and their respective companies who worked for Defendant as an independent contractor driver in California at any time beginning October 19, 2021 through September 30, 2022.
- 1.5 “Checks Received During The Class Period” means a check received by a Participating Class Member from Defendant during the Class Period for services rendered as an independent contractor.
- 1.6 “Checks Received During The PAGA Period” means a check received by a PAGA Member from Defendant during the PAGA Period for services rendered as an independent contractor.
- 1.7 “Class” means all persons and their respective companies who worked for Defendant as an independent contractor driver in California at any time beginning December 23, 2018 through September 30, 2022.
- 1.8 “Class Counsel” means Shegerian & Associates, Inc., including Carney R. Shegerian, Anthony Nguyen, and Erik Dos Santos.
- 1.9 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable

attorneys' fees and expenses, respectively, incurred to prosecute the Action, subject to the Court's approval.

- 1.10 "Class Data" means Class Members identifying information in Defendant's possession that will be produced by Defendant to the Administrator within thirty (30) days after preliminary approval of the Settlement. Specifically, Defendant will, to the maximum extent available, provide the Administrator with the names, addresses, and check information for all Class Members and PAGA Members.
- 1.11 "Class Member" or "Settlement Class Member" means a member of the Class. Class Members thus include all persons and their respective companies who worked for Defendant as an independent contractor driver in California at any time beginning December 23, 2018 through September 30, 2022. A Class Member can be either a Participating Class Member or a Non-Participating Class Member (including a Non-Participating Class Member who qualifies as a PAGA Member).
- 1.12 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.13 "Class Notice" and/or "Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL to be mailed to Class Members in English with a Spanish translation, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.14 "Class Period" means the period from December 23, 2018 to September 30, 2022.
- 1.15 "Class Release Period" means the period from December 23, 2018 to March 17, 2025.
- 1.16 "Class Representatives" means Plaintiffs Fabio Escobar and Lisandro Reyes, the two named plaintiffs in the operative complaint in the Action seeking Court approval to serve as Class Representatives.
- 1.17 "Class Representative Service Payments" means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.18 "Complaint" or "Operative Complaint" means the operative complaint filed by Plaintiffs in the Action on December 23, 2022.
- 1.19 "Court" means the Superior Court of California, County of Sonoma.
- 1.20 "Defendant" and/or "Biagi Bros" means the named defendant in the Action (i.e., Biagi Bros., Inc.).

- 1.21 “Defense Counsel” means Nossaman LLP, including Drew Robert Hansen.
- 1.22 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement that disposes of the Action in its entirety; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member timely objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members timely objects to the Settlement and the objection is not withdrawn and a timely appeal is not filed, the day after the deadline for filing a notice of appeal from the Judgment; or (c) in the event that a timely appeal of the Judgment has been filed, then the Settlement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the Judgment without material modification, and the applicable date for seeking further appellate review has passed, or the date that any such appeal has been either dismissed or withdrawn by the appellant.
- 1.23 “Final Approval” and/or “Final Approval Order” means the Court’s order granting final approval of the Settlement.
- 1.24 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.25 “Final Judgment” or “Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement that disposes of the Action in its entirety.
- 1.26 “Gross Settlement Amount” means Eight Hundred Thousand and One Dollars and Zero Cents (\$801,000.00), which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraphs 3.1 and 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Expenses Payment, Class Representative Service Payments and the Administration Expenses Payment, and all employer and employee tax withholdings if any such tax payments were to exist for any reason.<sup>1</sup>
- 1.27 “Individual Class Payment” means a Participating Class Member’s pro rata share of the Net Settlement Amount. The Individual Class Payment shall be calculated as described in Paragraph 3.2.4 below.
- 1.28 “Individual PAGA Payment” means other than the State of California, each Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties. The

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<sup>1</sup> While the Gross Settlement Amount theoretically covers any employer and employee tax withholdings, the reality is that there are no such withholdings since the Parties have agreed that the settlement payments to each Participating Class Member and PAGA Member will be paid entirely on a 1099 basis.

Individual PAGA Payment shall be calculated as described in Paragraph 3.2.5.1 below.

- 1.29 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled to a 75% share of the PAGA Penalties pursuant to Labor Code section 2699, subd. (i).
- 1.30 “LWDA PAGA Payment” means the 75% share of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.31 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, employer taxes (if any such tax payments were to exist), and the Administration Expenses Payment. The remainder is the Net Settlement Amount to be paid to Participating Class Members as Individual Class Payments and employee tax withholdings (if any such tax withholdings were to exist).
- 1.32 “Non-Participating Class Member” means any Class Member who timely and validly opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.33 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.34 “PAGA Members” means the State of California plus all persons and their respective companies who worked for Defendant as an independent contractor driver in California at any time beginning October 19, 2021 through September 30, 2022.
- 1.35 “PAGA Notice” means Plaintiffs’ June 1, 2022, Notice of Labor Code Violations notice(s) to Defendant, and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.36 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (i.e., \$20,000.00), allocated 25% to the Aggrieved Employees aside from the State of California (i.e., \$5,000.00) and 75% to the LWDA (i.e., \$15,000.00) in settlement of the PAGA Members’ PAGA claims.
- 1.37 “PAGA Period” means the period from October 19, 2021 to September 30, 2022.
- 1.38 “PAGA Release Period” means the period from October 19, 2021 to March 17, 2025.
- 1.39 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.40 “Plaintiffs” means Fabio Escobar and Lisandro Reyes, the named Plaintiffs in the

Action.

- 1.41 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.42 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval of Class Action Settlement and Approval of PAGA Settlement.
- 1.43 “QSF” means the qualified settlement fund set up by the Administrator to receive the Gross Settlement Amount from Defendant.
- 1.44 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.45 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.46 “Released Parties” means Biagi Bros., Inc. (i.e., the Defendant in the Action) and all of its former and present parents, subsidiaries, predecessors, successors, and affiliated corporations, as well as Biagi Bros., Inc.’s and all of the other aforementioned entities’ owners, shareholders, officers, directors, agents, managers, employees, independent contractors, representatives, attorneys, insurers, successors, and assigns.
- 1.47 “Request for Exclusion” means a Class Member’s timely submission of a written and valid request to be excluded from the Class Settlement signed by the Class Member.
- 1.48 “Response Deadline” means 45 calendar days after the Administrator mails the Notice to Class Members, and shall be the last date on which Class Members may: (a) email or mail Requests for Exclusion from the Settlement, or (b) email or mail their Objection to the Settlement. Any Class Member to whom a Class Notice must be re-mailed after having been returned to the Administrator as undeliverable shall have an additional 14 calendar days beyond the expiration of the Response Deadline.
- 1.49 “Settlement” means the disposition of the Action in its entirety effected by this Agreement and the Judgment.
- 1.50 “Settlement Payment Check” or “Settlement Payment Checks” means the payment of the Individual Class Payment to Participating Class Members and/or Individual PAGA Payment to Aggrieved Employees.

## 2. **RECITALS.**

- 2.1 This Settlement is made and entered into by and between Plaintiffs and Defendant, and is subject to the terms and conditions hereof, and to the Court’s approval. The Parties expressly acknowledge that this Agreement is entered into solely for the

purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant.

- 2.2 On June 1, 2022, Plaintiffs provided written notice by online filing to the LWDA and by certified mail to Defendant of various California Labor Code provisions under the Private Attorneys' General Act alleged to have been violated by Defendant.
- 2.3 On December 23, 2022, Fabio Escobar and Lisandro Reyes filed a civil complaint in Los Angeles County Superior Court asserting the following causes of action on behalf of themselves and a putative class of individuals and other allegedly aggrieved employees: (1) Failure to Pay Minimum Wages; (2) Failure to Pay All Wages Upon Separation; (3) Failure to Furnish Timely and Accurate Wage Statements; (4) Failure to Reimburse Necessary, Business-Related Expenses; (5) Unlawful Deductions from Wages; (6) Failure to Maintain Records;; (7) Unfair Competition; and (8) violations of the PAGA. The Labor Code provisions that Plaintiffs allege Defendant violated in the Complaint and under which Plaintiffs seek relief include, but are not limited to, California Labor Code §§ 98, 200, 201, 202, 203, 204, 210, 218.5, 221, 225.5, 226, 226.3, 226.7, 226.8, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 2698 *et seq.*, 2699, 2699.3, 2699.5, 2802, and 2810.5, California Business and Professions Code §§ 17200 *et seq.*, 17203, and 17208, and Wage Order No. 9-2001 and all other Industrial Welfare Commission Wage Orders and California Code of Regulations. The Complaint filed on December 23, 2022 is the Operative Complaint in the Action. The Parties subsequently stipulated to transfer the matter to Sonoma County Superior Court. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged. Defendant maintains that it complied in good faith with all applicable wage-and-hour laws and has timely and accurately paid Plaintiff and putative class members/aggrieved employees all sums owing and has otherwise complied with relevant legal obligations.
- 2.4 On March 17, 2025, the Parties, Class Counsel and Defense Counsel participated in an all-day mediation with Laurie Quigley Saldaña, Esq. The Parties reached a settlement, the principal terms of which were memorialized in a binding Memorandum of Understanding, which became effective on August 4, 2025. Based on those negotiations and arms-length settlement discussions between the Parties, the Parties agreed to settle the Action in its entirety on the terms and conditions set forth in this Agreement.
- 2.5 Prior to mediation, Class Counsel and Plaintiffs obtained, through informal discovery from Defendant, substantial amounts of data and documentation, including, but not limited to, compensation records and other documents and information relating to the size and scope of the Class and PAGA group, as well as data permitting Plaintiffs to fully understand the nature and scope of the allegations in the Complaint. Class Counsel and Plaintiffs further obtained, through informal

discovery from Defendant, the approximate amount of time Class Members worked as independent contractors drivers during the Class Period for Defendant. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

- 2.6 The Court has not granted class certification. The Parties stipulate to class certification for purposes of Settlement only. If the Court does not grant Preliminary and Final Approval of the proposed Settlement or the Settlement does not become completely Final for any other reason, the Parties agree that they shall revert to the same position that they were in before this Settlement was reached. Among other things, this means that the Settlement cannot be used as an admission that a class action should be certified or a PAGA representative action allowed in the Action or any other matter.
- 2.7 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.
- 2.8 In consideration of the mutual covenants, promises and agreements set forth herein, Plaintiffs and Defendant agree, subject to the Court’s approval, that this case and any claims, damages, or causes of action arising out of the disputes which are subject to this case, be settled and compromised as between the Settlement Class and Defendant, subject to the terms and conditions set forth herein.

### 3. **MONETARY TERMS.**

- 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay a total of Eight Hundred Thousand and One Dollars and Zero Cents (\$801,000.00), and no more, as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement and such obligation is subject to Paragraph 8 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order:
  - 3.2.1 To Each of the Class Representatives: Each Class Representative shall receive a Class Representative Service Payment of not more than Ten Thousand and Zero Dollars (\$10,000.00), in addition to any Individual Class Payment and any Individual PAGA Payment the Class

Representative is entitled to receive as a Participating Class Member and/or as an Aggrieved Employee. Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed \$10,000 each. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested (i.e., less than \$10,000 each or \$20,000 in total), the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for any and all taxes owed on the Class Representative Service Payments.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be Two Hundred Sixty-Seven Thousand Dollars and Zero Cents (\$267,000.00), and a Class Counsel Litigation Expenses Payment of not more than Fifteen Thousand Dollars and Zero Cents (\$15,000.00). Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation and Action, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement, including any objections raised and any appeals necessitated by those objections. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Released Parties shall have no liability to Class Counsel or any other counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3 The Settlement Administrator: The Administrator shall be responsible for administering the Settlement. Among other things, the Administrator will be responsible for sending notices to Settlement Class Members, calculating settlement awards and preparing all checks and mailings,

posting the Judgment to its website, and other duties as described in this Settlement. The Settlement Administrator will maintain acceptable electronic and physical security protocols to adequately protect and safeguard private information it will have access to as a result of the settlement process. The fees and expenses of the Administrator, up to a maximum amount of \$5,240, for work done shall be paid from the Gross Settlement Amount. The Administrator shall be authorized to pay itself from the Gross Settlement Amount only after Settlement Payment Checks have been mailed to Participating Class Members and the PAGA Members.

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

3.2.4.1 Tax Allocation of Individual Class Payments. 40% of each Participating Class Member's Individual Class Payment will be allocated to non-wage claims (i.e., as alleged interest, statutory penalties, etc.) and 60% will be allocated for reimbursement of business expenses. Individual Class Payments are therefore not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payment and shall have no right to object to the class action components of the Settlement or anything else.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Twenty Thousand Dollars and Zero Cents (\$20,000.00), to be paid from the Gross Settlement Amount, with 75% (i.e., Fifteen Thousand Dollars and Zero Cents (\$15,000.00)) allocated to the LWDA PAGA Payment and the remaining 25% (i.e., Five Thousand Dollars and Zero Cents (\$5,000.00)) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (i.e., \$5,000.00) by the total number of Checks Received During The PAGA Period by all Aggrieved Employees and (b) multiplying the result by the number of Checks Received During The PAGA Period from the particular Aggrieved Employee. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Aggrieved Employees assume full responsibility

and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.

#### 4. **SETTLEMENT FUNDING AND PAYMENTS.**

- 4.1 Checks Received by Class Members. Based on a review of its records, Defendant estimates that as of the date of the Parties' mediation, there were approximately 65 Class Members who collectively received a total of approximately 5,661 weekly checks during the Class Period.
- 4.2 Class Data. Not later than 30 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform the Administrator's obligations under this Agreement. Defendant will, to the maximum extent available, provide the Administrator the names, addresses, and check information for all Class Members and PAGA Members. The Administrator will use this information to facilitate notice and administration of the Settlement. If a Class Member or PAGA Member's last known address cannot be located, then Plaintiffs and Defendant will work together to ensure that the Court approves a notice program that ensures each Class Member and PAGA Member has been provided notice of the settlement in the best manner practicable and consistent with due process. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data (if any).
- 4.3 Timing of Funding the Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 calendar days after the Effective Date.
- 4.4 Payments from the Gross Settlement Amount. Within thirty (30) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees

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

- 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Participating Class Members and PAGA Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will also send checks for Individual PAGA Payments to all Aggrieved Employees (excluding the State of California) including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3 For any Participating Class Member or PAGA Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs and Participating Class Members will release claims against all Released Parties as follows:
- 5.1 Plaintiffs' General Release. Upon the Effective Date of the Settlement, Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns shall release and discharge Defendant and the other Released Parties from all claims, transactions, or occurrences that occurred at any point in time up through March 17, 2025, including, but not limited to: (a) all claims that were, or could have been, alleged, based on the facts or allegations contained, in the Complaint; (b) all PAGA claims that were, or could have been, alleged based on facts or allegations contained in the Complaint, Plaintiffs' June 1, 2022 PAGA Notice, or ascertained during the Action and released under Paragraph 5.3, below; and (c) all other claims Plaintiffs may have or claim to have against Defendant and the other Released Parties (collectively, "Plaintiffs' General Release") Plaintiffs' General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences after March 17, 2025. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.
- 5.1.1 Without limiting the generality of the foregoing in any way, each Plaintiffs' General Release includes, but is not limited to, any and all claims, charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, penalties, statutory penalties, civil penalties, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including attorney fees and costs), known or unknown, at law or in equity, which each of the Plaintiffs may now have against Defendant or any of the other Released Parties, and each of them, as well as those claims that were or could have been asserted in the Action, including, but not limited to, any and all claims arising under the California Labor Code, Wage Order No. 9-2001 or any other applicable Industrial Welfare Commission Wage Order, the Fair Labor Standards Act, the California Private Attorneys' General Act, the California Business & Professions Code, the claims alleged in the Complaint in the Action, the claims alleged in the June 1, 2022 PAGA Notice, and any and all other transactions, occurrences or matters between Plaintiffs and Defendant (or between Plaintiffs and the other Released Parties) occurring up through and including March 17, 2025. Plaintiffs' General Release shall also include any and all claims against Defendant or any of the other Released Parties, and each of them, that occurred up through March 17, 2025, under the (a) Americans With Disabilities Act, as amended; (b) Title VII of the Civil Rights Act of 1964, as amended;

(c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e) the Age Discrimination in Employment Act, as amended; (f) the Equal Pay Act; (g) the Employee Retirement Income Security Act, as amended; (h) the Consolidated Omnibus Budget Reconciliation Act; (i) the Rehabilitation Act of 1973; (j) the Family and Medical Leave Act; (k) the Civil Rights Act of 1966; (l) the California Fair Employment and Housing Act; (m) the California Constitution; (n) the California Government Code; (o) the California Civil Code; and (p) any and all other federal, state and local statutes, ordinances, regulations, rules and other laws, and any and all claims based on constitutional, statutory, common law or regulatory grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent infliction of emotional distress, or damages under any other federal, state or local statutes, ordinances, regulations, rules, or laws. This general release by each of the Plaintiffs is for any and all relief, no matter how denominated, including, but not limited to, back pay, front pay, bonuses, compensatory damages, overtime pay, minimum wages, straight time wages, regular wages, hourly pay, piece-rate pay, compensation for meal and/or rest periods and/or other non-productive time, premium pay, penalties, statutory penalties, civil penalties, waiting time penalties, restitution, disgorgement, damages of any kind or nature whatsoever (including, but not limited to, liquidated damages, statutory damages, punitive damages, and damages for pain and suffering, etc.), and attorney fees and costs, etc.

5.1.2 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' General Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads: **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.**

5.2 Release by All Participating Class Members: Upon the Effective Date of the Settlement, all Participating Class Members, on behalf of themselves, their respective companies and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall release Defendant and the other Released Parties from any and all claims from December 23, 2018 through March 17, 2025 that were asserted or could have been asserted against Defendant and/or the other Released Parties based on, arising out of, or relating to the facts or allegations set forth in the Complaint filed in the Action ("Claims Released By All Participating Class Members"). Among other things, the Claims Released By All Participating Class Members include, but are not limited to, any and all claims alleged in the Complaint in the Action or that could have been alleged in the Action based on the facts or allegations alleged therein, any and

all claims alleged in Plaintiffs' June 1, 2022 PAGA Notice, and any and all claims based upon or arising under California Labor Code §§ 98, 200, 201, 202, 203, 204, 210, 218.5, 221, 225.5, 226, 226.3, 226.7, 226.8, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 2698 *et seq.*, 2699, 2699.3, 2699.5, 2802, and 2810.5, California Business and Professions Code §§ 17200 *et seq.*, 17203, and 17208, and Wage Order No. 9-2001 and all other Industrial Welfare Commission Wage Orders and California Code of Regulations. Except as set forth above in the preceding sentences of this Paragraph and in Paragraph 5.3 below to the extent the Participating Class Member is also an Aggrieved Employee, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Release Period (i.e., outside of December 23, 2018 through March 17, 2025).

- 5.3 Release by Aggrieved Employees: Upon the Effective Date of the Settlement, all Aggrieved Employees, including, but not limited to, the State of California to the maximum extent possible, along with their respective companies and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns shall release Defendant and the other Released Parties from any and all PAGA claims from October 19, 2021 through March 17, 2025 that were asserted or could have been asserted against Defendant and/or the other Released Parties based on, arising out of, or relating to (i) the facts or allegations set forth in the Complaint filed in the Action and/or (ii) relating to the facts or allegations set forth in the June 1, 2022 PAGA Notice filed by Plaintiffs with the LWDA ("Claims Released by the Aggrieved Employees"). Among other things, the Claims Released By The Aggrieved Employees include, but are not necessarily limited to, any and all PAGA claims based upon or arising under California Labor Code §§ 98, 200, 201, 202, 203, 204, 210, 218.5, 221, 225.5, 226, 226.3, 226.7, 226.8, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2810.5.

6. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiffs shall prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals. Plaintiffs shall share a draft of the Motion for Preliminary Approval and all related papers with Defense Counsel at least seven (7) days in advance of the deadline to file any such motion. Defendant shall have the right to review and comment upon the Motion for Preliminary approval and all related papers. The Parties shall further cooperate with each other and endeavor to agree upon mutually acceptable language with respect to the Motion for Preliminary Approval and all related papers.

- 6.1 Plaintiffs' Responsibilities. At least seven (7) days before filing, Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement

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

- 6.2 Responsibilities of Counsel. Class Counsel is responsible for expeditiously drafting the Motion for Preliminary approval, sharing the draft motion and all related papers with Defense Counsel as required above, and then finalizing and filing the Motion for Preliminary Approval and all related papers once they are approved by Plaintiffs and Defendant; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to attempt to modify the Agreement and otherwise satisfy the Court’s concerns; provided, however, that any change agreed upon must be mutually acceptable to both Parties. Put another way, if the Court conditions Preliminary Approval upon a material change to the Settlement, then the Parties will each have the right to render this Agreement null and void. The Court’s decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

7. **SETTLEMENT ADMINISTRATION.**

- 7.1 Selection of Administrator. The Parties have jointly selected Apex to serve as the Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports 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 (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than fourteen (14) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Checks Received During The Class Period and Checks Received During The PAGA Period in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than thirty (30) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Checks Received During The Class Period used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using both the National Change of Address database and an Accurint or substantially similar skip trace method.
- 7.4.3 Not later than seven (7) days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

- 7.4.4 The deadlines for Class Members' written objections, challenges to the number of Checks Received During The Class Period, and Requests for Exclusion shall be forty-five (45) days from the date the Class Notices are mailed, with all of those deadlines being extended by an additional fourteen (14) days beyond the forty-five (45) days for all Class Members whose Class Notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendant, Defendant's Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves from (opt-out of) the class action aspect of Settlement must send the Administrator by mail, email, or fax a timely, compliant, and signed written Request for Exclusion not later than forty five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). To be valid, a Request for Exclusion must be timely sent by mail or email by the deadline set forth herein. The Request for Exclusion must: (1) contain the Settlement Class member's name and address; (2) reasonably communicate that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be sent by the Response Deadline to the Settlement Administrator at the address or email address specified in the Class Notice. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted.

Any Class Member who timely and validly excludes himself or herself from the Settlement Class will not be entitled to Individual Class Payment under this Settlement, will not be bound by the terms of the Settlement insofar as it relates to releasing non-PAGA claims, and will not have any right to object, appeal, or comment thereon. That said, because PAGA claims are subject to claim preclusion upon entry of the Judgment and an individual has no ability to opt out of such a judgment or object to a proposed PAGA settlement, Non-Participating Class Members (i.e., those persons who validly and timely opt out of the Settlement) who are also

PAGA Members shall be deemed to release all PAGA claims identified in Paragraph 5.3 above of this Agreement even though they excluded themselves from the class action portions of this Settlement. The Administrator shall provide the Parties with weekly updates regarding the number of Requests for Exclusion received.

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

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including, but not limited to, the Participating Class Members' Release under Paragraph 5.2 above of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement. Participating Class Members who are also PAGA Members shall further be bound by the release set forth in Paragraph 5.3 above. Indeed, all PAGA Members shall be bound by the release set forth Paragraph 5.3 above in the event that this Settlement is approved and the Effective Date is reached.

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 PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are PAGA Members shall be deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment as explained above.

7.6 Challenges to Calculation of Checks Received During The Class Period. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Checks Received During The Class Period allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary

documentation, the Administrator is entitled to presume that the Checks Received During The Class Period contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Checks Received During The Class Period shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Checks Received During The Class Period to Defense Counsel and Class Counsel and the Administrator's determination with respect to the challenge(s).

7.7 Objections to Settlement.

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

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

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement, although they will still be bound by the PAGA components of the Settlement if they are a PAGA Member.

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments, 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 and emails.

- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. No later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, and number of challenges to Checks Received During The Class Period received and/or resolved (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion.
- 7.8.4 Checks Received During The Class Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Checks Received During The Class Period. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator’s Declaration. No 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 number of Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will not disclose the identities of any said Class Members, unless the court requires such information for final approval. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within 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 of all payments made under this Agreement without disclosing identifying information to Class Counsel.

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. **CLASS SIZE ESTIMATES AND ESCALATOR.** Based on its internal records, Defendant indicated in advance of the March 17, 2025 mediation that there were 5,661 checks received by 65 Class Members. If the actual number of checks received by the Class Members for the Class Period turns out to be more than ten percent (10%) higher than the represented number of total checks (i.e., in the event the number of checks received by all Class Members for the entirety of the Class Period increases to more than 6,227 checks (or by more than an additional 566 checks than what was represented in advance of the mediation), then the Gross Settlement Amount shall be increased proportionally by the number of additional checks received in excess of 10% (i.e., proportionally for each check received above 6,227 checks). For example, if the total number of checks received by Class Members turns out to be 11% more than the represented amount of 5,661, Defendant will pay an additional 1% of the Gross Settlement Amount as an escalator.
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List equals ten or greater Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement at its sole discretion. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than fourteen (14) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. In such event, the Parties agree that the conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement.
10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs shall file in court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall share a draft of the Motion for Final approval and all related papers with Defense Counsel at least seven (7) days in advance of the deadline to file any such motion. Defendant shall have the right to review and comment upon the Motion for Final Approval and all related papers. The Parties shall further cooperate with each other and endeavor to agree upon mutually acceptable language with respect to the Motion for Final Approval and all related papers.

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

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

- 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to attempt to modify the Agreement and otherwise satisfy the Court's concerns; provided, however, that any change agreed upon must be mutually acceptable to both Parties. Put another way, if the Court conditions Final Approval upon a material change to the Settlement, then the Parties will each have the right to render this Agreement null and void. The Court's decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3 Notice of Settlement to State Officials (PAGA Notice). Class Counsel shall timely and promptly serve any and all documents required to be provided in connection with a PAGA claim (see, e.g., California Labor Code § 2699(l)) on the appropriate agent, division, or department of the State of California. Among other things, this means that at the same time Class Counsel files the Motion for Preliminary Approval (i.e., on that date or before), Class Counsel shall notify the LWDA of the Settlement and take all other steps necessary to ensure a complete dismissal with prejudice of all PAGA claims released pursuant to Paragraph 5.3 above.
- 10.4 Entry of Judgment. Pursuant to California Rules of Court, Rule 3.769, the Court must make and enter Judgment as of the Effective Date of the Settlement. It is understood and agreed by the Parties that, as a material condition of this Settlement, the Judgment must dispose of all claims in the Action and June 1, 2022 PAGA Notice that Plaintiffs allege or could have alleged against Defendant and/or the other Released Parties.
- 10.5 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

## 11. **APPEAL CONSIDERATIONS.**

- 11.1 Waiver of Right to Appeal. Unless the Court materially modifies the Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement waive all rights to appeal from the Judgment (including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals), except that Plaintiffs and Class Counsel may

appeal from an order by the Court that reduces the amounts sought for the Class Representative Service Payments, Class Counsel Fees Payment, or Class Counsel Expenses Payment. Such an order or affirmance of such an order will not entitle Plaintiffs or the Class to avoid the Settlement. Defendant's payment obligation under the Settlement will be suspended pending an appeal of the Judgment.

- 11.2 Timely Appeal from the Judgment. In the event of a timely appeal from the Judgment, the Judgment shall be stayed, and the Gross Settlement Amount shall not become due or be distributed to Participating Class Members, PAGA Members, Plaintiffs, or Class Counsel, and the actions required by this Agreement shall not take place until all appeal rights have been exhausted by operation of law.
- 11.3 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing 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 or PAGA Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to attempt 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. That said, any change agreed upon must be mutually acceptable to both Parties. Put another way, if the appellate court conditions approval of the Settlement upon a material change to it, then the Parties will each have the right to render this Agreement null and void. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments 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.
12. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.
13. **NULLIFICATION OF THIS AGREEMENT.**
  - 13.1 If (a) Defendant rescinds the Settlement pursuant to Paragraph 9 of this Agreement, or (b) the Court, for any reason, declines to approve this Agreement in the form agreed to by the Parties and the change is deemed by either Party to be material, either in connection with the Motion for Preliminary Approval or Motion for Final Approval or following an appeal, or (c) the Court, for any reason, fails to enter a judgment and dismissal with prejudice of the Action (including, but not limited to, all of the claims in the operative Complaint and June 1, 2022 PAGA Notice), then the Agreement, Settlement, and conditional class certification will automatically become null and void (other than the provisions in this Agreement relating to confidentiality and the use and return of data shared in connection with the Settlement) without any act or deed by any Party. Additionally, the Agreement (and of any act performed or document executed pursuant to or in furtherance of the Agreement), the fact that the Parties stipulated to a Class for settlement

purposes, and the fact that the Court granted certification of the Class for settlement purposes, will be inadmissible evidence in any subsequent proceeding in the Action or elsewhere. Put another way, neither the Settlement, class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and all Parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in the Agreement to facilitate approval should they choose to do so.

- 13.2 A modification by the Court of Plaintiffs' Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Expenses Payment shall not constitute a nullification or invalidation of any material portion of the Settlement.
- 13.3 In the event the Court declines to approve this Agreement in the form agreed to by the Parties, the Parties will be equally responsible for all charges incurred by the Administrator as of the time the Settlement is rejected. This paragraph shall not apply if Defendant exercises its right to rescind pursuant to Paragraph 9 of this Agreement.
- 13.4 In the event Defendant exercises its right to rescind pursuant to Paragraph 9 of this Agreement, Defendant will be responsible for all reasonable charges incurred by the Administrator up to the time the right to rescind is exercised.

#### 14. **ADDITIONAL PROVISIONS.**

- 14.1 No Pending Claims with any Administrative Agency. Other than the Action, Plaintiffs represent that they have no claims pending with the Equal Employment Opportunity Commission, the Civil Rights Division, the Department of Labor, the National Labor Relations Board, and/or the Department of Labor Standards Enforcement, or any other federal, state, or local equivalent against Defendant or any of the other Released Parties.
- 14.2 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only and agree that certification for purpose of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure in a non-settlement context. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all

available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement). Pursuant to California Evidence Code § 1152, this Settlement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement. If Final Approval does not occur and the Effective Date is not reached for any reason, the Parties agree that this Settlement is void, but remains protected by California Evidence Code § 1152.

- 14.3 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 14.4 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.
- 14.5 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 14.6 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other

documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 14.7 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 14.8 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 14.9 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 14.10 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.
- 14.11 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 14.12 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 14.13 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 14.14 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 14.15 Attorneys' Fees, Costs, and Expenses. Except as otherwise specifically provided for herein, each Party shall bear their own attorneys' fees, costs and expenses incurred by them in, or arising out of, the Action. The Parties shall not seek reimbursement of their attorneys' fees, costs and expenses from any other party to this Agreement.

- 14.16 Use and Return of Class Data. Information provided to Class Counsel pursuant to California Evidence Code § 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 30 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 14.17 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.
- 14.18 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 14.19 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, to the other Party's respective counsel of record.
- 14.20 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.
- 14.21 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

*[Space intentionally left blank]*

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Dated: March 23, 2026

**FABIO ESCOBAR**

 Fabio Escobar (Mar 23, 2026 09:51:00 PDT)

Dated: March \_\_, 2026

**LISANDRO REYES**

Dated: March \_\_, 2026

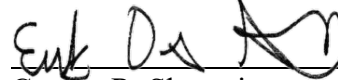
**BIAGI BROS., INC.**

By: \_\_\_\_\_

**APPROVED AS TO FORM AND CONTENT:**

Dated: March 23, 2026

**SHEGERIAN & ASSOCIATES, INC.**



Carney R. Shegerian

Anthony Nguyen

Erik Dos Santos

*Attorneys for Plaintiffs Fabio Escobar and  
Lisandro Reyes, on behalf of themselves and  
all others similarly situated*

Dated: March \_\_, 2026

**NOSSAMAN LLP**

\_\_\_\_\_  
Drew R. Hansen

*Attorneys for Defendant Biagi Bros., Inc.*

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Dated: March \_\_, 2026

FABIO ESCOBAR

---

Dated: March 24, 2026

LISANDRO REYES

*Lisandro Reyes*

Lisandro Reyes (Mar 24, 2026 20:11:51 PDT)

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Dated: March \_\_, 2026

BIAGI BROS., INC.

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By:

APPROVED AS TO FORM AND CONTENT:

Dated: March \_\_, 2026

SHEGERIAN & ASSOCIATES, INC.

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Carney R. Shegerian  
Anthony Nguyen  
Erik Dos Santos

*Attorneys for Plaintiffs Fabio Escobar and  
Lisandro Reyes, on behalf of themselves and  
all others similarly situated*

Dated: March \_\_, 2026

NOSSAMAN LLP

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Drew R. Hansen  
*Attorneys for Defendant Biagi Bros., Inc.*

**THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.**

Dated: March \_\_, 2026

**FABIO ESCOBAR**

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Dated: March \_\_, 2026

**LISANDRO REYES**

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Dated: March \_\_, 2026

4/2/2026

**BIAGI BROS., INC.**

DocuSigned by:

*Andrea Biagi*

89FD7B49B5534E4...

By:

Andrea Biagi

**APPROVED AS TO FORM AND CONTENT:**

Dated: March \_\_, 2026

**SHEGERIAN & ASSOCIATES, INC.**

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Carney R. Shegerian

Anthony Nguyen

Erik Dos Santos

*Attorneys for Plaintiffs Fabio Escobar and  
Lisandro Reyes, on behalf of themselves and  
all others similarly situated*

Dated: March 31, 2026

**NOSSAMAN LLP**

*Drew R. Hansen*

Drew R. Hansen

*Attorneys for Defendant Biagi Bros., Inc.*

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

FABIO ESCOBAR; LISANDRO REYES; ET AL. V. BIAGI BROS., INC., CASE NO.  
23CV00749

*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 putative class action lawsuit (“Action”) entitled *Fabio Escobar; Lisandro Reyes; et al. v. Biagi Bros., Inc.* for alleged wage-and-hour violations. The Action was filed by two former Biagi Bros., Inc. independent contractor drivers (“Plaintiffs”) who claim they were misclassified and seek payment of wages, penalties for failure to timely pay wages upon separation of employment, reimbursement for employment-related expenditures, damages for the alleged failure to maintain accurate employment records, damages for purported non-compliant wage statements, and restitution for alleged unfair business practices, etc. Plaintiffs assert the claims alleged in the Action on behalf of themselves individually and also seek to represent a class of drivers who were classified as independent contractor drivers and their respective companies who performed work for Biagi Bros., Inc. during the Class Period (i.e., at any time between December 23, 2018 and September 30, 2022) (hereinafter the “Class Members”). Plaintiffs further seek to recover civil penalties under California’s Private Attorneys General Act (“PAGA”) for all independent contractor drivers and their respective companies who performed work for Biagi Bros., Inc. during the PAGA Period (i.e., at any time between December 23, 2018 and September 30, 2022) (hereinafter the “Aggrieved Employees”).

For the purposes of this Notice, Biagi Bros., Inc. shall be referred to hereafter as the “Company.” The Company denies any and all liability for the claims alleged in the Action and maintains that it complied with all applicable laws. Nothing in this Notice should be imputed as an admission of liability by the Company.

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

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

The above estimates are based on the Company’s records showing that **you received [REDACTED] checks** during the Class Period and **you received [REDACTED] checks** during the PAGA Period. If you believe that you received more checks during the Class Period, you can

submit a challenge by the deadline date. See Section 4 of this Notice.

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

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against the Company.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the class action aspects of the Settlement (opt-out) but not the PAGA aspect of the settlement. If you wish to opt-out of the class action aspect of Settlement, you must send the Administrator by mail or email a timely written Request for Exclusion not later than sixty (45) days after the Administrator mails the Class Notice to you (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed).

To be valid, a Request for Exclusion must be timely sent by mail or email by the deadline set forth by the Administrator. The Request for Exclusion must: (1) contain your name and address; (2) reasonably communicate that you wish to be excluded from the Settlement; (3) be signed by you; and (4) be sent by the Response Deadline to the Settlement Administrator at the address or email address specified in this Class Notice. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted.

If you exclude yourself from the Settlement Class, you will not be entitled to any class action recovery under this Settlement, will not be bound by the terms of the Settlement to the extent it releases non-PAGA claims, and will not have any right to object, appeal, or comment on the Settlement.

You cannot opt-out of the PAGA portion of the proposed Settlement. This means that if the Settlement is approved, you will be bound by the PAGA release regardless of whether you are a Participating Class Member or non-Participating Class Member (i.e., someone who timely and validly requested to be excluded from the Settlement).

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

## SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

|                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>You Don't Have to Do Anything to Participate in the Settlement</b></p>                                                                                              | <p>If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and, if you are also a PAGA Member, an Individual PAGA Payment. In exchange, you will give up your right to assert all of the class claims alleged against the Company in the Action and that are released by this Settlement (i.e., the Class Released Claims).</p>                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b></p> <p><b>The Opt-out Deadline is</b> [REDACTED]</p>                                        | <p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the class action aspect 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 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. If the Settlement is approved and becomes final, the Company must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue all of the PAGA Released Claims (defined below).</p> |
| <p><b>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</b></p> <p><b>Written Objections Must be Submitted by</b> [REDACTED]</p> | <p>All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement as long as they do so timely. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the proposed Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.</p>                                        |
| <p><b>You Can Participate in the [REDACTED] Final Approval Hearing</b></p>                                                                                                | <p>The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. 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 y using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>                                                                                                                                                                                                                                                                                                                                         |
| <p><b>You Can Challenge the Calculation of The Number of Checks You Received During the Class Period. Written Challenges Must be Submitted by</b> [REDACTED]</p>          | <p>The amount of your Individual Class Payment and PAGA Payment (if any is owed to you) depend on how many checks you received during the Class Period and how many checks you received during the PAGA Period, respectively. The number of checks you received during the Class Period and the number of checks you received during the PAGA Period is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.</p>                                                                                                                                                                                                                                                     |

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## 1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former independent contractor drivers who performed work (i.e., hauled loads) for the Company. The Action accuses the Company of violating California labor laws by misclassifying Plaintiffs and failing to pay them minimum wages, wages due upon termination, failing to reimburse business expenses, and failing to provide meal periods, rest breaks, maintain accurate records, taking unlawful deductions from wages, and failing to provide timely and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted claims for unfair business practices and for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”).

The Company strongly denies violating any laws or failing to pay any wages to Plaintiffs or anyone else and contends it complied with all applicable laws.

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

The Court has not made a determination whether the Company violated the law or that Plaintiffs are correct on the merits. In the meantime, Plaintiffs and the Company hired an experienced, neutral mediator to help negotiate the Action (settle the case) rather than continuing the expensive and time-consuming process of litigation. Following the mediation, Plaintiffs and the Company came to a mutually agreeable resolution. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and the Company have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, the Company does not admit it violated any laws, that a class could be certified, or that any of the facts alleged by Plaintiffs are true.

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

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

- (a) The Company Will Pay \$801,000.00 as the Gross Settlement Amount (hereinafter the “Gross Settlement Amount”). The Company has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval of the Settlement and the Settlement becomes completely final without any possibility of being appealed, the Company will fund the Gross Settlement

Amount not more than thirty (30) days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

- (b) Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
- (i) Up to \$267,000.00 (one-third of the Gross Settlement Amount) to Class Counsel for attorneys' fees and up to \$15,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
  - (ii) Up to \$10,000.00 to each Class Representative as Class Representative Awards for filing the Action, working with Class Counsel and seeking to represent the Class. Class Representative Awards will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
  - (iii) Up to \$5,240 to the Administrator for services administering the Settlement.
  - (iv) Up to \$20,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the remaining Aggrieved Employees based on their PAGA Period Pay Periods.

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

- (a) Net Settlement Amount Distributed to Participating Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the "Net Settlement Amount") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- (b) Taxes Owed on Payments to Class Members. The Settlement shall be broken down as follows: 40% as non-wages and 60% reimbursement for business expenses. The Administrator will thus report the Individual PAGA Payments and the Individual Class Payments on IRS 1099 Forms. Such breakdown is a condition precedent to this Agreement.

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

- (a) Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

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

- (a) Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you exclude yourself from the Class Settlement by timely, compliant, and signed written Request to the Administrator not later than forty five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). To be valid, a Request for Exclusion must be timely sent by mail or email by the deadline set forth by the Administrator. The Request for Exclusion must: (1) contain your name and address; (2) reasonably communicate that you wish to be excluded from the Settlement; (3) be signed by you; and (4) be sent by the Response Deadline to the Settlement Administrator at the address or email address specified in this Class Notice. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against the Company, if any such rights exist.
- (b) You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against the Company based on the PAGA Period alleged in the Action.
- (c) The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and the Company have agreed that, in either case, the Settlement will be void: the Company will not pay any money and Class Members will not release any claims against the Company.
- (d) Administrator. The Court has appointed a neutral company Apex (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 regarding the number of checks received during the Class Period and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
- (e) Participating Class Members' Release. After the Judgment is final and the Effective

Date of the Settlement is reached, Participating Class Members will be legally barred from asserting any of the class claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the class action aspect of the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against the Company or any of the other Released Parties related to the claims released under Paragraph 5.2 of the Agreement. Specifically, all Participating Class Members will be bound by the following release: “Upon the Effective Date of the Settlement, all Participating Class Members, on behalf of themselves, their respective companies and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall release Defendant and the other Released Parties from any and all claims from December 23, 2018 through March 17, 2025 that were asserted or could have been asserted against Defendant and/or the other Released Parties based on, arising out of, or relating to the facts or allegations set forth in the Complaint filed in the Action (“Claims Released By All Participating Class Members”). Among other things, the Claims Released By All Participating Class Members include, but are not limited to, any and all claims alleged in the Complaint in the Action or that could have been alleged in the Action based on the facts or allegations alleged therein, any and all claims alleged in Plaintiffs’ June 1, 2022 PAGA Notice, and any and all claims based upon or arising under California Labor Code §§ 98, 200, 201, 202, 203, 204, 210, 218.5, 221, 225.5, 226, 226.3, 226.7, 226.8, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 2698 *et seq.*, 2699, 2699.3, 2699.5, 2802, and 2810.5, California Business and Professions Code §§ 17200 *et seq.*, 17203, and 17208, and Wage Order No. 9-2001 and all other Industrial Welfare Commission Wage Orders and California Code of Regulations. Except as set forth above in the preceding sentences of this Paragraph and in Paragraph 5.3 of the Agreement to the extent the Participating Class Member is also an Aggrieved Employee, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Release Period (i.e., outside of December 23, 2018 through March 17, 2025).”

- (f) Aggrieved Employees’ PAGA Release. After the Court’s judgment is final and the Effective Date of the Settlement is reached, all Aggrieved Employees will be barred from asserting PAGA claims against the Company, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against the Company or any of the other Released Parties related to the PAGA claims released under Paragraph 5.3 of the Agreement. Specifically, all Aggrieved Employees will be bound by the following release: “Upon the Effective Date of the Settlement, all Aggrieved Employees, including, but not limited to, the State of California to the maximum extent possible, along with their respective companies and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns shall release Defendant and the other

Released Parties from any and all PAGA claims from October 19, 2021 through March 17, 2025 that were asserted or could have been asserted against Defendant and/or the other Released Parties based on, arising out of, or relating to (i) the facts or allegations set forth in the Complaint filed in the Action and/or (ii) relating to the facts or allegations set forth in the June 1, 2022 PAGA Notice filed by Plaintiffs with the LWDA (“Claims Released by the Aggrieved Employees”). Among other things, the Claims Released By The Aggrieved Employees include, but are not necessarily limited to, any and all PAGA claims based upon or arising under California Labor Code §§ 98, 200, 201, 202, 203, 204, 210, 218.5, 221, 225.5, 226, 226.3, 226.7, 226.8, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2810.5.”

#### **4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

- (a) Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of checks received during the Class Period by all Participating Class Members, and (b) multiplying the result by the number of checks received during the Class Period by the particular Participating Class Member.
- (b) Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000.00 by the total number of checks received by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of checks received during the PAGA Period by the particular Aggrieved Employee.
- (c) Workweek Challenges. Your number of checks during the Class Period and the and PAGA Period, as recorded in the Company’s records, are stated in the first page of this Notice. You have until the deadline provided by the Administrator to challenge the number of checks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail or email. Section 9 of this Notice has the Administrator’s contact information.
- (d) You need to support your challenge by sending copies of checks received or other documentation. The Administrator will accept the Company’s calculation of checks received based on the Company’s records as accurate, unless you send written records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve challenges to the number of checks received based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and the Company’s Counsel. The Administrator’s decision is final. You can’t appeal or otherwise challenge its final decision.

#### **5. HOW WILL I GET PAID?**

- (a) Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn’t

opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

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

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

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

Submit a written and signed letter with your name, present address, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any timely and valid writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Fabio Escobar; Lisandro Reyes; et al. v. Biagi Bros., Inc.*, and include your identifying information (full name and address). The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

## **7. HOW DO I OBJECT TO THE SETTLEMENT?**

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

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Awards may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Fabio Escobar, et al. v. Biagi Bros., Inc.* and include your name and current address and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

## 8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 18 of the Sonoma County Superior Court (Civil and Family Law Courthouse), located at 3055 Cleveland Avenue 1st Floor, Santa Rosa, CA 95403. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite 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 Zoom. 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 [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

## 9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything that the Company and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [REDACTED].

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 <https://sonoma.courts.ca.gov/online-services/case-portal>) and entering the Case Number for the Action, Case No. 23CV00749.

**DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT. PLEASE CONTACT THE SETTLEMENT ADMINISTRATOR WITH QUESTIONS.**

**The Contact information for the Settlement Administrator is as follows:**

**Apex Class Action, LLC**

**Email Address:** [REDACTED]

**Mailing Address:** [REDACTED]

**Telephone:** [REDACTED]

**Fax Number:** [REDACTED]

**The addresses for the Parties' counsel are as follows:**

| Class Counsel | Defendant's Counsel |
|---------------|---------------------|
| [REDACTED]    | [REDACTED]          |

**10. WHAT IF I LOSE MY SETTLEMENT CHECK?**

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

**11. WHAT IF I CHANGE MY ADDRESS?**

You should immediately notify the Administrator if you move or otherwise change your mailing address.