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and on behalf of all others similarly situated.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

JAMES WILLIAM SMITH, individually
and on behalf of all others similarly
situated,

Plaintiffs,

v.

MAGNETIC METALS CORPORATION;
and DOES 1 through 20, inclusive,

Defendants.

Case No. 30-2022-01265296-CU-OE-CXC

Assigned for All Purposes to:
Judge William Claster
Dept. CX-101

**SUPPLEMENTAL DECLARATION OF
KRISTY R. CONNOLLY IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: June 27, 2025
Time: 9:00 a.m.
Dept. CX101

1 I, Kristy R. Connolly, hereby declare as follows:

2 1. I am an attorney at law licensed to practice before all of the courts of the State of
3 California. I am a Senior Associate with Aegis Law Firm, PC (“Aegis”), counsel for Plaintiffs
4 James William Smith and Ambrocio Rodriguez Zavala (“Plaintiffs”) in this matter. I am
5 thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

6 2. I submit this supplemental declaration in support of Plaintiffs’ Motion for
7 Preliminary Approval of Class Action Settlement (the “Motion”). If called as a witness, I could
8 and would competently testify thereto.

9 3. On March 27, 2025, the above-entitled Court adopted its tentative ruling on
10 Plaintiffs’ Motion and continued the hearing to provide time for further briefing. At the last
11 hearing, the Court was concerned that Class Members who previously signed releases in
12 exchange for a \$1,000 payment will not receive any new consideration as part of this settlement
13 despite agreeing to a broader release of claims through the end of the Class Period under the
14 Settlement.

15 4. Thereafter, the Parties agreed that Defendant would send the Class List to Phoenix
16 Settlement Administrators to calculate how much each Class Member will actually receive based
17 on the current terms of the Settlement Agreement.

18 5. Defendant provided Phoenix with the Class List on April 18, 2025. On May 1,
19 2025, Phoenix provided the Parties with the calculations for each Class Member’s Individual
20 Class Payment. After accounting for the prior release payments of \$1,000, there were a total of
21 ten (10) Class Members who would ultimately receive \$0 as their Individual Class Payment. Six
22 (6) of these Class Members did not work for Defendant after they signed the individual release
23 (meaning they would not have accrued any claims against Defendant after signing the individual
24 releases) and four (4) of these Class Members did continue working for Defendant.

25 6. Accordingly, the Parties agreed to amend the settlement to delete the provision
26 that states that if a Class Member’s Individual Class Payment is reduced to a number less than \$0
27
28

1 after accounting for the prior release payment, then that Class Member will not receive an
2 Individual Class Payment.

3 7. The Parties agreed that Defendant will instead pay those six (6) employees who
4 did not continue working \$25.00 and pay the four (4) employees who did continue working
5 \$50.00 in order to provide consideration for the Class Release. These payments (totaling \$350)
6 will be in addition to the amount Defendant is required to pay as Owed Settlement Funds under
7 the Settlement Agreement. The \$350 will be transferred to the Administrator to pay to the
8 Participating Class Members as their Individual Class Payment at the same time the Owed
9 Settlement Funds are due. *See* Exhibit 2.

10 8. The Parties agreed on the \$50.00 payment amount because that is the lowest
11 amount that Phoenix calculated that a Class Member will receive as his or Individual Class
12 Payment. Specifically, the lowest estimated amount is \$50.23 and the average estimated amount
13 is \$2,097.54. The Parties then agreed that the six employees who did not continue working for
14 Defendant after executing the prior releases would get half this amount since they would not have
15 accrued any additional claims against Defendant after executing the prior release.

16 9. Therefore, the Parties believe that the Amendment to the Settlement alleviates any
17 concerns that a class member might receive no consideration but still be bound to a longer release
18 period than he or she previously signed up for. Under the Amendment to the Settlement, these
19 Class Members will receive additional consideration beyond what they had already been paid for
20 by way of the prior release in exchange for a release of claims through the end of the Class Period.

21 10. A true and correct copy of the Parties' fully-executed Class Action and PAGA
22 Settlement Agreement is attached hereto as **Exhibit 1**.

23 11. A true and correct copy of the Parties' fully-executed Amendment to Class Action
24 and PAGA Settlement Agreement is attached hereto as **Exhibit 2**.

25 12. On June 2, 2025, I submitted the Amendment to Class Action and PAGA
26 Settlement Agreement and this supplemental briefing to the LWDA. A true and correct copy of
27 the LWDA's confirmation of submission is attached hereto as **Exhibit 3**.

1 13. Concurrent with this filing, Plaintiffs are also submitted a Revised Proposed Order
2 which reflects the Amendment to the Settlement and an updated proposed Final Approval hearing
3 date. A true and correct copy of the Revised Proposed Order, showing revisions in redline, is
4 attached hereto as **Exhibit 4**.

5 I declare under penalty of perjury under the laws of the State of California that the
6 foregoing is true and correct. Executed on May 29, 2025 at Irvine, California.

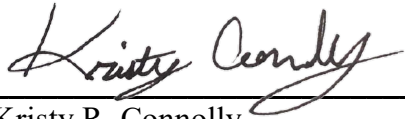
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8 
9 Kristy R. Connolly

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs James William Smith and Ambrocio Rodriguez Zavala (“Plaintiffs”) and defendant Magnetic Metals Corporation (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means Plaintiffs’ lawsuit alleging wage and hour violations against Defendant captioned *James William Smith et al. v. Magnetic Metals Corporation* initiated on June 14, 2022 and pending in Superior Court of the State of California, County of Orange.
- 1.2. “Administrator” means Phoenix Settlement Administrators, 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 Employee” means all persons currently or formerly employed by Defendant as a non-exempt employee in the State of California at any time during the PAGA Period.
- 1.5. “Class” means all persons currently or formerly employed by Defendant as a non-exempt employee in the State of California at any time during the Class Period.
- 1.6. “Class Counsel” means Kashif Haque, Samuel Wong, Jessica L. Campbell and Kristy R. Connolly of Aegis Law Firm, PC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, number of Class Period Workweeks and PAGA Pay Periods, and the amount already paid to the Class Member for entering into an individual settlement agreement to settle the claims asserted in the Lawsuit (if any).
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10. “Class Member Address Search” means the 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.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from December 19, 2017 through September 14, 2024.
- 1.13. “Class Representatives” means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as Class Representatives.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of Orange.
- 1.16. “Defendant” means named Defendant Magnetic Metals Corporation.
- 1.17. “Defense Counsel” means Heather Appleton of Appleton Law Group, APC.
- 1.18. “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; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Member objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

- 1.22. “Gross Settlement Amount” means \$500,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administration Expenses Payment.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under the Labor Code section 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “Notice Packet” means collectively and in the form substantially similar to, the Class Notice attached hereto as Exhibit A, the Dispute Form attached hereto as Exhibit B, and the Opt-Out Form attached hereto as Exhibit C, to be mailed to Class Members in English with a Spanish translation.
- 1.31. “Owed Settlement Funds” means the amount that Defendant shall pay towards the Gross Settlement Amount, which is currently \$428,000.00 but subject to the Escalator Clause provided in Paragraph 8. The Owed Settlement Funds and Previously Paid Settlement Funds together shall constitute the Gross Settlement Amount.

- 1.32. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.33. “PAGA Period” means the period from August 8, 2022 through September 14, 2024.
- 1.34. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, et seq.).
- 1.35. “PAGA Notice” means the August 8, 2023 letter 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 \$20,000 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$5,000) and 75% to the LWDA (\$15,000) in settlement of PAGA claims.
- 1.37. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.38. “Plaintiffs” means James William Smith and Ambrocio Rodriguez Zavala, the named plaintiffs in the Action.
- 1.39. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.41. “Previously Paid Settlement Funds” means the \$72,000 already paid by Defendant for individual settlement agreements entered into with 72 Class Members to settle the claims asserted in the Action prior to this Settlement, and for which Defendant shall receive credit as part of this Settlement.
- 1.42. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.43. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.44. “Released Parties” means: Defendant and each of its former, present and future directors, officers, shareholders, stockholders, owners, members, employees, attorneys, insurers, reinsurers, parent companies, predecessors, successors, assigns, subsidiaries, agents, principals, representatives, accountants, auditors, consultants, and affiliates.
- 1.45. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Settlement signed by the Class Member.

- 1.46. “Response Deadline” means 60 days after the Administrator mails the Notice Packets to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail a Request for Exclusion from the Settlement, or (b) fax, email, or mail an Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.47. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.48. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On June 14, 2022, Plaintiff James William Smith commenced this Action by filing a Complaint asserting causes of action alleging that Defendant (1) Failed to Pay Minimum Wages, (2) Failed to Pay Overtime Wages, (3) Failed to Provide Meal Periods, (4) Failed to Permit Rest Breaks, (5) Failed to Reimburse Business Expenses, (6) Failed to Provide Accurate Itemized Wage Statements, (7) Failed to Pay Wages Timely During Employment, (8) Failed to Pay all Wages Due Upon Separation of Employment; and (9) Violated Business and Professions Code Sections 17200 *et seq.* On November 16, 2023, Plaintiff James William Smith filed a First Amended Class Action Complaint, adding Ambrocio Rodriguez Zavala as a named Plaintiff and adding a Cause of Action under PAGA. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”) 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.
- 2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On June 5, 2024 the Parties participated in an all-day mediation presided over by Daniel J. Turner which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiffs obtained through formal and informal discovery, Plaintiffs’ and Class Members’ payroll records and time punch data and an employee handbook containing Defendant’s written policies. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5. The Court has not granted class certification.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or

affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant agrees to a gross settlement amount of \$500,000.00 (consisting of \$72,000 of Previously Paid Settlement Funds and currently \$428,000 of Owed Settlement Funds), and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions (as defined in paragraph 3.2.4.1, below) of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse all Individual Class Payments and Individual PAGA Payments without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1. To Plaintiffs: Class Representatives' Service Payments to the Class Representatives of not more than \$10,000.00 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel 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, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS 1099 Forms. Plaintiffs assume full responsibility and liability for employee 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 (1/3) of the Gross Settlement Amount, which is currently estimated to be \$166,666.67 and a Class Counsel Litigation Expenses Payment of not more than \$30,000. 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 Counsel Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' 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 Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

- 3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$6,750 except for a showing of good cause and as approved by the Court. To the extent the Administrator's expenses are less or the Court approves payment less than \$6,750, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. For Participating Class Members who already entered into individual settlement agreements with Defendant, the Individual Class Payment amount calculated to be received by the Participating Class Member shall be reduced by the amount of the Previously Paid Settlement Funds paid to that Participating Class Member. In the event the amount of the Previously Paid Settlement Funds paid to a Participating Class Member reduces the Individual Class Payment amount for that Participating Class Member to an amount less than Zero Dollars (\$0.00), the Participating Class Member shall not receive an Individual Class Payment.
- 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on IRS W-2 Forms. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
- 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000 to be paid from the Gross Settlement Amount, with 75% (\$15,000) allocated to the LWDA PAGA Payment and 25% (\$5,000) 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 (\$5,000) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Data. Not later than 15 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 under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.2. Funding of Gross Settlement Amount. Defendant shall pay the Owed Settlement Funds, and also pay the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.3. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Owed Settlement Funds, 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 and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.3.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (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 Settlement Payments to all Participating Class Members (including those for whom the Notice Packet was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom the Notice Packet 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 Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

4.3.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to 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).

4.3.4. 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 Owed Settlement Funds and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences arising out of Plaintiffs' employment that occurred prior to the date of

execution of this Agreement, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the operative complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the operative complaint, Plaintiffs' PAGA Notice, ("Plaintiffs' Release.") Plaintiffs' 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 outside the Class Period. 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' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.

For purposes of Plaintiffs' 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 Participating Class Members:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims arising during the Class Period that were alleged, or reasonably could have been alleged, based on the facts stated in the operative complaint. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the operative complaint, and the PAGA Notice.

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

- 6.1. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.
- 6.2. 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 in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administrator's 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 3 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.
- 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Notice Packet

with Spanish translation substantially in the form attached to this Agreement as Exhibits A, B, and C, and as approved by the Court. 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/or Aggrieved Employee, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Notice Packets, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3. Not later than 3 business days after the Administrator's receipt of any Notice Packet returned by the USPS as undelivered, the Administrator shall re-mail the Notice Packet 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 Notice Packet to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Notice Packet to Class Members whose Notice Packet is returned by the USPS a second time.

7.4.4. The deadlines for Class Members' written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Notice Packet for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Notice Packet.

7.4.5. If the Administrator, Defendant, Defense 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 Notice Packet, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Notice Packet requiring them to exercise options under this Agreement not later than 14 days after receipt of Notice Packet, or the deadline dates in the Notice Packet, whichever are later.

7.5. Requests for Exclusion (Opt-Outs).

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

shall contain an Opt-Out Form substantially in the form attached hereto as Exhibit C.

- 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 Notice Packet. 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 the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Notice Packet or objects to the Settlement.
- 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment. A Class Member's Request for Exclusion will not result in exclusion from or otherwise have any impact on the individual settlement agreement previously entered into with Defendant, if any.
- 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Notice Packet (plus an additional 14 days for each Class Member whose Notice Packet is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Notice Packet shall contain a Dispute Form substantially in the form attached hereto as Exhibit B. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail, and must provide any supporting documentation to the Administrator. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks calculation contained in the Class Notice is correct as long as it is consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel

and Class Counsel and the Administrator's determination of the challenges.

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

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 Notice Packet, 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, faxes 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. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (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: Notice Packets mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5. Administrator’s Declaration. Not later than 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 the Notice Packets, the Notice Packets returned as undelivered, the re-mailing of Notice Packets, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Owed Settlement Funds, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 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. ESCALATOR CLAUSE.** If the total number of Workweeks during the Class Period exceeds 19,201 by more than 10% (i.e., 21,121), the Gross Settlement Amount will increase pro rata per additional Workweek.
- 9. DEFENDANT’S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if

the employer 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 seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”).

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service 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. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this 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. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the

amount of the Gross Settlement Amount or Owed Settlement Funds amount.

- 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service 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 and the Owed Settlement Funds amount remain unchanged.

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

- 12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the operative 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. 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).
- 12.2. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral

representations, warranties, covenants, or inducements made to or by any Party.

- 12.4. 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.
- 12.5. 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 this 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 this Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.6. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.7. 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.
- 12.8. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.9. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.10. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.11. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.12. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. 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 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs and Class Counsel shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 12.13. 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 and/or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or 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 any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.15. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.16. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs: Aegis Law Firm, PC
Kashif Haque
Samuel Wong
Jessica L. Campbell
jcampbell@aegislawfirm.com
Kristy R. Connolly
kconnolly@aegislawfirm.com
9811 Irvine Center Drive, Suite 100
Irvine, California 92618

To Defendant:

APPLETON LAW GROUP, APC
HEATHER APPLETON,
happleton@appletonlg.com
2041 Rosecrans Avenue, Suite 380
El Segundo, California 90245
Telephone: (310) 474-7022

- 12.17. 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 counterparts will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.18. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Date: 11/27/2024

PLAINTIFF JAMES WILLIAM SMITH

James Smith

James William Smith

Date: _____

PLAINTIFF AMBROCIO RODRIGUEZ
ZAVALA

Ambrocio Rodriguez Zavala

To Plaintiffs: Aegis Law Firm, PC
Kashif Haque
Samuel Wong
Jessica L. Campbell
jcampbell@aegislawfirm.com
Kristy R. Connolly
kconnolly@aegislawfirm.com
9811 Irvine Center Drive, Suite 100
Irvine, California 92618

To Defendant:

APPLETON LAW GROUP, APC
HEATHER APPLETON,
happleton@appletonlg.com
2041 Rosecrans Avenue, Suite 380
El Segundo, California 90245
Telephone: (310) 474-7022

12.17. 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 counterparts will be admissible in evidence to prove the existence and contents of this Agreement.

12.18. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

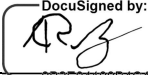
Date: _____

PLAINTIFF JAMES WILLIAM SMITH

James William Smith

Date: 12/14/2024 | 3:32 PM PST

PLAINTIFF AMBROCIO RODRIGUEZ
ZAVALA

DocuSigned by:


9B2E04199B4C44A...
Ambrocio Rodriguez Zavala

Date: 12/3/2024

DEFENDANT MAGNETIC METALS
CORPORATION

Frank A. Raneiro
By: FRANK A. RANEIRO
PRESIDENT

Date: 12/16/2024

AEGIS LAW FIRM, PC

Kristy Connolly
Samuel Wong
Kashif Haque
Jessica Campbell
Kristy R. Connolly
Attorneys for Plaintiffs

Date: 12/3/2024

APPLETON LAW GROUP, APC

Heather Appleton
Heather Appleton
Attorneys for Defendant

EXHIBIT A

EXHIBIT A

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

Smith v. Magnetic Metals Corporation
Case No. 30-2022-01265296-CU-OE-CXC

*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 class action lawsuit ("Action") against Magnetic Metals Corporation ("Defendant" is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by two former employees, James William Smith and Ambrocio Rodriguez Zavala ("Plaintiffs"), and seeks payment of (1) back wages and other relief for a class of non-exempt employees ("Class Members") who worked for Defendant during the Class Period (December 19, 2017 through September 14, 2024) in California; and (2) penalties under the California Private Attorneys General Act ("PAGA") for all hourly employees who worked for Defendant during the PAGA Period (August 8, 2022 through September 14, 2024) in California ("Aggrieved Employees").

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

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

The above estimates are based on Defendant's records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period and takes into consideration any amounts that you have previously been paid in a prior individual settlement agreement with Defendant. If you believe that you worked more than these amounts, 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 Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

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

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

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduce 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.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is currently scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many weeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Workweeks and number of Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in the Action: Samuel A. Wong, Kashif Haque, Jessica L. Campbell, and Kristy R. Connolly from Aegis Law Firm, PC ("Class Counsel.")

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

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

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired a mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant

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

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

- A. Defendant Agrees to a Gross Settlement Amount of \$500,000. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and litigation expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the monies it owes toward the Gross Settlement not more than 14 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
- B. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs will ask the Court to approve the following deductions from the Gross Settlement Amount:
- i. Up to \$166,666.67 (one-third (1/3) of the Gross Settlement Amount) to Class Counsel for attorneys' fees and up to \$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - ii. Up to \$10,000 to each of the Plaintiffs as a Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - iii. Up to \$6,750 to the Administrator for services administering the Settlement.
 - iv. Up to \$20,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their Pay Periods worked during the PAGA Period.
 - v. A credit totaling \$72,000 to Defendant for monies previously paid to Class Members who entered into individual settlement agreements with Defendant.

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

- C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Workweeks in the Class Period. For Participating Class Members who already entered into individual settlement agreements with Defendant, the Individual Class Payment will be reduced by the amount received in the prior individual settlement agreement.
- D. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (Defendant will separately pay employer payroll taxes it owes on the Wage Portion.) The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.
- E. 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.
- F. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. You can also use the Opt-Out Form enclosed with this Class Notice for your convenience. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

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

- G. 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 Defendant have agreed that, in either case, the Settlement will be void:

Defendant will not pay any money and Class Members will not release any claims against Defendant.

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

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims arising during the Class Period that were alleged, or reasonably could have been alleged, based on the facts stated in the operative complaint. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

- J. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators,

successors, and assigns, the Released Parties from all claims for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the operative complaint, and the PAGA Notice.

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 Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member. For Participating Class Members who already entered into individual settlement agreements with Defendant, the Individual Class Payment will be reduced by the amount received in the prior individual settlement agreement. If the amount received in the prior individual settlement agreement reduces the Individual Class Payment amount to an amount less than Zero Dollars, then that Participating Class Member will not receive an Individual Class Payment.

Defendant's records show that you have previously been paid _____ in a prior individual settlement agreement with Defendant.

- B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
- C. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. You can also use the Dispute Form enclosed with this Class Notice for your convenience. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

- 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?

To opt out of the Class Settlement you must submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as Smith v. Magnetic Metals Corporation, and include your identifying information (full name, address, telephone number, and approximate dates of employment for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least 16 business days before the _____ Final Approval Hearing, Plaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and why the amounts requested as the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment should be granted. 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 _____ (url) _____ or the Court's website <https://www.occourts.org/online-services/case-access/>

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is _____.** 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 Smith v. Magnetic Metals Corporation and include your name, current

address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at (time) in Department CX101 of the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, California 92701. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making any decisions. You can attend (or hire a lawyer to attend) either personally or virtually. To appear remotely, go to the following link and check-in: <https://acikiosk.azurewebsites.us/advisement?dept=CX101> Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant 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 _____ (specify entity) 's website at _____ (url) _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below.

You can also view the case records online at the court's website:

<https://www.occourts.org/online-services/case-access/> Click "Civil Case & Document Access", then click "Accept Terms". Follow the instructions for submitting the Case Number: 30-2022-01265296-CU-OE-CXC. Then click "search" to view the case record. The Settlement Agreement is attached as Exhibit 1 to the Declaration of Kristy R. Connolly filed on _____.

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

Class Counsel:

Name of Attorney: Kashif Haque, Samuel Wong, and Jessica L. Campbell

Email Address: jcampbell@aegislawfirm.com

Name of Firm: Aegis Law Firm, PC

Mailing Address: 9811 Irvine Center Drive, Suite 100, Irvine, CA 92618
Telephone: (949) 379-6250

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

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?

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

EXHIBIT B

DISPUTE FORM

James William Smith et al. v. Magnetic Metals Corporation
Case No. 30-2022-01265296-CU-OE-CXC

MAIL OR FAX TO:

c/o [Administrator]
P.O. Box *****
*****, CA *****
Fax: (***) ***-****

COMPLETE THIS FORM **ONLY IF** YOU WISH TO DISPUTE THE INFORMATION PROVIDED IN YOUR CLASS NOTICE AND PROVIDED AGAIN HERE.

The records from Defendant Magnetic Metals Corporation, indicate that you were employed as a non-exempt employee for _____ workweeks during the Class Period of December 19, 2017 through September 14, 2024. The total number of pay periods you worked during the PAGA Period of August 8, 2022 through September 14, 2024 is _____. Defendant's records show that you have previously been paid _____ in a prior individual settlement agreement with Defendant. Based on this information, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____.**

If you believe your total number of workweeks and/or pay periods is **incorrect** or you claim you did not receive any payment in connection with a prior individual settlement agreement, please mail this Dispute Form to the address below along with any supporting documentation evidencing the correct number of weeks and/or pay periods worked by you for Defendant. The Settlement Administrator will make its determination after considering the records and any documentation you provide.

YOU MUST MAIL THIS DISPUTE FORM BY **[DATE]** TO THE FOLLOWING ADDRESS:

c/o [Administrator]
P.O. Box *****
*****, CA *****

Or

[BAR CODE OR CLASS MEMBER ID WILL BE INCLUDED HERE]

EXHIBIT C

OPT-OUT FORM

James William Smith et al. v. Magnetic Metals Corporation
Case No. 30-2022-01265296-CU-OE-CXC

MAIL OR FAX TO:

c/o [Administrator]
P.O. Box *****
*****, CA *****
Fax: (***) ***-****

COMPLETE THIS FORM **ONLY IF** YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS. IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS, YOU **WILL NOT** RECEIVE YOUR INDIVIDUAL CLASS PAYMENT FROM THE SETTLEMENT.

I, _____, request to be excluded from the Class in the matter of *Smith v. Magnetic Metals Corporation*, Orange County Superior Court, Case No. 30-2022-01265296-CU-OE-CXC. I understand that, by submitting this Opt-Out Form, I will no longer be eligible for the Individual Settlement Payment from the settlement. However, if I am an Aggrieved Employee, then I understand that I will still receive the Individual PAGA Settlement Payment.

Sign your name here

Date

Print your name here

IF YOU WISH TO BE EXCLUDED FROM THE SETTLEMENT (AND NOT RECEIVE A PAYMENT), YOU MUST MAIL THIS OPT-OUT FORM BY **[DATE]** TO THE FOLLOWING ADDRESS:

c/o [Administrator]
P.O. Box *****
*****, CA *****

[BAR CODE OR CLASS MEMBER ID WILL BE INCLUDED HERE]

EXHIBIT 2

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Pursuant to Section 12.8 of the Class Action and PAGA Settlement Agreement made and entered into as of December 16, 2024 ("Settlement Agreement"), between plaintiffs James William Smith and Ambrocio Rodriguez Zavala ("Plaintiffs") and defendant Magnetic Metals Corporation ("Defendant") (collectively the "Parties"), the Parties agree to amend the Settlement Agreement as stated herein. All other terms of the Settlement not amended herein shall remain in full force and effect.

- Section 3.2.4 is hereby amended to delete the following sentence: "In the event the amount of the Previously Paid Settlement Funds paid to a Participating Class Member reduces the Individual Class Payment amount for that Participating Class Member to an amount less than Zero Dollars (\$0.00), the Participating Class Member shall not receive an Individual Class Payment." Section 3.2.4 shall now instead state as follows:
 - In the event the amount of the Previously Paid Settlement Funds paid to a Participating Class Member reduces the Individual Class Payment amount for that Participating Class Member to an amount less than Zero Dollars (\$0.00), then Defendant shall pay that Participating Class Member either (i) Twenty-Five Dollars (\$25.00) if he or she did not continue working for Defendant after signing the individual settlement agreement or (ii) Fifty Dollars (\$50.00) if he or she did continue working for Defendant after signing the individual settlement agreement as that Participating Class Member's Individual Class Payment. These payments shall be transmitted to the Administrator no later than 14 days after the Effective Date, in addition to the Owed Settlement Funds and amounts necessary to fully pay Defendant's share of payroll taxes.

Date: 05/28/2025

PLAINTIFF JAMES WILLIAM SMITH

James Smith

James William Smith

Date: 5/7/2025 | 11:35 AM PDT

PLAINTIFF AMBROCIO RODRIGUEZ
ZAVALA

DocuSigned by:
ARZ
9B2E04199B4C44A...

Ambrocio Rodriguez Zavala

Date: 5.8.2025

DEFENDANT MAGNETIC METALS
CORPORATION

Frank L. Raneiro

By: Frank Raneiro, President

Date: 5/29/2025

AEGIS LAW FIRM, PC

Kristy Connolly
Kristy R. Connolly
Attorneys for Plaintiffs

Date: 5/15/25

APPLETON LAW GROUP, APC

Heather Appleton
Heather Appleton
Attorneys for Defendant

Frank Raneiro, President

EXHIBIT 3

EXHIBIT 4

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

JAMES WILLIAM SMITH, individually and
on behalf of all others similarly situated,

Plaintiffs,

v.

MAGNETIC METALS CORPORATION; and
DOES 1 through 20, inclusive,

Defendants.

Case No. 30-2022-01265296-CU-OE-CXC

*Assigned for All Purposes to:
Judge William Claster
Dept. CX-104*

**REVISED [PROPOSED] ORDER
GRANTING PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: ~~February 7~~June 27, 2025
Time: 9:00 a.m.
Dept: CX101

1 WHEREAS, the above-entitled action is pending before this Court as a putative class
2 action (the “Action”);

3 WHEREAS, Plaintiffs James William Smith and Ambrocio Rodriguez Zavala
4 (“Plaintiffs”), individually and on behalf of all others similarly situated and on behalf of the
5 general public, has applied to this Court for an order preliminarily approving the settlement of the
6 Action in accordance with the Class Action and PAGA Settlement Agreement and Amendment
7 to Class Action and PAGA Settlement Agreement (collectively, the “Settlement” or “Settlement
8 Agreement”) entered into by Plaintiffs and Defendant Magnetic Metals Corporation
9 (“Defendant”) which sets forth the terms and conditions for a proposed settlement upon the terms
10 and conditions set forth therein (Plaintiffs and Defendant shall be collectively referred to herein
11 as the “Parties”); and

12 WHEREAS, the Court has read and considered Plaintiffs’ Motion for Preliminary
13 Approval of Class Action Settlement.

14 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED
15 THAT:

16 1. This Order incorporates by reference the definitions in the Settlement attached as
17 Exhibit 1 and Exhibit 2 to the Supplemental Declaration of Kristy R. Connolly in Support of
18 Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement, filed on January 7June 2,
19 2025, and all terms defined therein shall have the same meaning in this Order.

20 2. It appears to the Court on a preliminary basis that (a) the Settlement is fair,
21 adequate and reasonable; (b) the Gross Settlement Amount and Net Settlement Amount are fair,
22 adequate and reasonable when balanced against the probable outcome of further litigation relating
23 to liability and damages issues; (c) sufficient investigation and research have been conducted such
24 that counsel for the Parties at this time are able to reasonably evaluate their respective positions;
25 (d) settlement at this time will avoid additional costs by all Parties, as well as avoid the delay and
26 risks that would be presented by the further prosecution of the Action; and (e) the Settlement has
27 been reached as the result of non-collusive, arms-length negotiations.
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1 3. With respect to the Class and for purposes of proceeding pursuant to California
2 Code of Civil Procedure section 382 for approval of the settlement only, the Court finds on a
3 preliminary basis that (a) Class Members are ascertainable and so numerous that joinder of all
4 Class Members is impracticable; (b) there are questions of law and fact common to the Class that
5 predominate over any questions affecting only individual Class Members; (c) Plaintiffs' claims
6 are typical of the Class' claims; (d) class certification is a superior method for implementing the
7 Settlement and adjudicating this Action in a fair and efficient manner; (e) the Class
8 Representatives can fairly and adequately protect the Class' interests; and (f) Class Counsel are
9 qualified to serve as counsel for the Class.

10 4. Accordingly, solely for purposes of effectuating this Settlement, this Court hereby
11 conditionally certifies the class for settlement purposes only. The Class is defined as all persons
12 currently or formerly employed by Defendant as a non-exempt employee in the State of California
13 at any time from December 19, 2017 through September 14, 2024.

14 5. Plaintiffs James William Smith and Ambrocio Rodriguez Zavala are hereby
15 preliminarily appointed and designated, for all purposes, as the Class Representatives. Kashif
16 Haque, Samuel Wong, Jessica L. Campbell, and Kristy R. Connolly of Aegis Law Firm, PC are
17 hereby preliminarily appointed and designated as counsel for the Class ("Class Counsel"). Class
18 Counsel is authorized to act on behalf of the Class Members with respect to all acts or consents
19 required by, or which may be given pursuant to, the Settlement, and such other acts reasonably
20 necessary to consummate the Settlement. Any Class Member may enter an appearance either
21 personally or through counsel of such individual's own choosing and at such individual's own
22 expense. Any Class Member who does not enter an appearance or appear on his or her own will be
23 represented by Class Counsel.

24 6. Should, for whatever reason, the Settlement not become final, the fact that the
25 Parties were willing to stipulate to certification of the Class as part of the Settlement shall have no
26 bearing on, nor be admissible in connection with, the issue of whether a class should be certified in
27 a non-settlement context.

1 7. The Court hereby preliminarily approves the definition and disposition of the Gross
2 Settlement Amount and Net Settlement Amount and related matters provided for in the Settlement,
3 subject to modification at final approval.

4 8. The Court hereby preliminarily approves Class Counsel attorneys' fees of up to one-
5 third of the Gross Settlement Amount, Class Counsel litigation expenses not to exceed \$30,000.00,
6 a Service Award of up to \$10,000.00 for each Plaintiff, payment to the LWDA in the amount of
7 \$15,000.00, and costs of administration not to exceed \$6,750.00, subject to final approval.

8 9. The Court hereby approves, as to form and content, the Class Notice, Dispute Form,
9 and Objection Form, that are attached to the Settlement Agreement as Exhibits A, B, and C
10 (collectively the "Notice Packet"), to be distributed to Class Members. The Court finds that
11 distribution of the Notice Packet, substantially in the manner and form set forth in the Settlement,
12 meets the requirements of due process, is the best notice practicable under the circumstances, and
13 shall constitute due and sufficient notice to all persons entitled thereto.

14 10. The Court hereby appoints Phoenix Settlement Administrators, Inc. as Settlement
15 Administrator and hereby directs the Settlement Administrator to mail or cause to be mailed to
16 Class Members the Notice Packet using the procedures set forth in the Settlement Agreement. Class
17 Members who wish to participate in the settlement provided for by the Settlement Agreement do
18 not need to respond to the Notice Packet.

19 11. All costs of mailing of the Notice Packet, whether foreseen or not, shall be paid
20 from the Gross Settlement Amount, including the cost of searching for Class Members' addresses
21 as provided in the Settlement, and all other reasonable costs of the Settlement Administrator up
22 to \$6,750 as provided in the Settlement.

23 12. Any Class Member may choose to opt-out of and be excluded from the Class as
24 provided in the Notice Packet. Any such person who chooses to opt-out of and be excluded from
25 the Class will not be entitled to any recovery under the Settlement and will not be bound by the
26 Settlement or have any right to object, appeal or comment thereon. Class Members who have not
27 requested exclusion/opted-out shall be Participating Class Members and bound by all
28 determinations of the Court, the Settlement, and the Final Judgment.

1 13. A Final Fairness and Approval Hearing shall be held before this Court on **May 30**
2 **October 24, 2025 at 9:00 a.m.** in Department CX-101 of the Superior Court for the State of
3 California, County of Orange, located at 751 W. Santa Ana Blvd., Santa Ana, California 92701.
4 All papers in support of final approval and related awards for fees, costs, and Plaintiffs' Service
5 Award must be filed and served at least 16 court days before the final approval hearing.

6 14. Any Participating Class Member must object to the Settlement by following the
7 instructions for submitting written objections that are set forth in the Settlement Agreement and
8 Notice Packet, and may appear at the Final Fairness and Approval Hearing. The Court shall retain
9 final authority with respect to the consideration and admissibility of any objections. Any
10 Participating Class Member who objects to the Settlement shall be bound by the order of the Court.

11 15. The Settlement is not a concession or admission, and shall not be used against the
12 Released Parties, as an admission or indication with respect to any claim of any fault or omission
13 by the Released Parties. Whether or not the Settlement is finally approved, neither the Settlement,
14 nor any document, statement, proceeding or conduct related to the Settlement, nor any reports or
15 accounts thereof, shall in any event be construed as, offered or admitted in evidence as, received as
16 or deemed to be evidence of a presumption, concession, indication or admission by Defendant of
17 any liability, fault, wrongdoing, omission, concession or damage in the Action, or in any other
18 action or proceeding, except for purposes of enforcing the Settlement once it receives final approval.

19 16. Pending the Final Approval and Fairness Hearing, all proceedings in this Action,
20 other than proceedings necessary to carry out or enforce the terms of the Settlement and this Order,
21 are hereby stayed.

22 17. Jurisdiction is hereby retained over this Action, the Parties to the Action, and each
23 of the Class Members for all matters relating to this Action, and this Settlement, including
24 (without limitation) all matters relating to the administration, interpretation, effectuation, and/or
25 enforcement of this Settlement and this Order.

26 18. The Court reserves the right to adjourn or continue the date of any hearing and all
27 dates provided for in the Settlement without further notice to Class Members, and retains
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1 jurisdiction to consider all further applications arising out of or connected with the proposed
2 Settlement.

3 DATED: _____

Honorable William Claster
JUDGE OF THE SUPERIOR COURT

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