# CLASS, COLLECTIVE, AND PAGA SETTLEMENT AGREEMENT

Subject to court approval, this Class, Collective, and PAGA Settlement Agreement ("Settlement Agreement") is made by and between Plaintiff Danny Balvaneda ("Plaintiff"), individually and on behalf of the Settlement, and Defendant PKL Services, Inc. (hereinafter "Defendant"). The Settlement Agreement refers to Plaintiff and Defendant collectively as "Parties" or as a "Party."

## 1. DEFINITIONS.

1.1 "Action" means Plaintiff's lawsuit alleging wage and hour violations against Defendant PKL Services Inc. and captioned *Danny Balvaneda, et al. v. PKL Services, Inc., et al.*; Case No. 25CU056193C, pending in San Diego County Superior Court.

1.2 "Address Search" means the Administrator's search for Covered Employees' mailing addresses using all reasonably available sources, including but not limited to the National Change of Address database, skip traces, and direct contact by the Administrator.

1.3 "Administrator" means the third-party administration firm jointly selected by the Parties and approved by the Court. The Parties currently intend to engage CPT Group as the Administrator. The Parties represent that they do not have any financial interest in the Administrator or otherwise have a relationship with the Administrator that could create a conflict of interest.

1.4 "Administration Expenses" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its costs in accordance with the Administrator's bid as approved by the Court for administering this Settlement, including but not limited to printing, distributing, and tracking documents for this Settlement; calculating estimated Individual Settlement Payments, the LWDA Payment, the Net PAGA Payment, the Service Payment, and Attorneys' Fees and Litigation Costs; and providing necessary reports, declarations, and other duties and responsibilities set forth herein to process this Settlement, as requested by the Settling Parties. The Administration Expenses are expected to be $10,000 based on an estimate of 562 employees and shall not exceed that amount except for good cause and as approved by the Court.

1.5 "Aggrieved Employees" means all individuals currently or formerly employed by Defendant PKL Services, Inc. in California as hourly, non-exempt employees during the PAGA Period, or, if such person is incompetent or deceased, the person's legal guardian, executor, heir, or successor in interest.

1.6 "Attorneys' Fees" means the amounts approved by the Court and allocated to Plaintiff's Counsel for reimbursement of reasonable attorneys' fees for Plaintiff's counsel's litigation and resolution of this Action in an amount not to exceed one third of the Gross Settlement Amount.

1.7 "Class" or "Class Members" means all individuals currently or formerly employed by Defendant PKL Services, Inc. in California as hourly, non-exempt employees during the Class Period. Each individual member of the Class is referred to as a "Class Member."

1.8 "Class Counsel" means Ferraro Vega Employment Lawyers, Inc.

1.9 "Class Notice" means the Notice of Class and PAGA Action Settlement, attached as **Attachment A** and including the Request for Exclusion, attached as **Attachment B**, to be mailed to Class Members and Aggrieved Employees.

1.10 "Class Period" means the period from March 5, 2021 to September 23, 2026.

1.11 "Class Settlement Fund" means the amount of the Settlement allocated for payment to Class or Class Members for settlement and release of the California class, which shall not exceed 90% of the Net Settlement Amount and shall be paid out of the Gross Settlement Amount.

1.12 "Class Workweek" means any week during which a Class Member worked for at least one day during the Class Period.

1.13 "Class Workweek Estimate" means, based on a review of Defendant's records to date, a total of 60,000 Class Workweeks worked by all Class Members.

1.14 "Collective Members" means all current and former non-exempt hourly employees of Defendant who worked in California at any time during the Collective Period, and who consent to join the collective action with respect to Fair Labor Standards Act ("FLSA") claims. Cashing, depositing, or otherwise negotiating a check for the settlement of the alleged FLSA claims shall be deemed to be a consent to join the FLSA portion of the settlement. Unless ordered by the Court, no separate consent to join form shall be required.

1.15 "Collective Notice" means the Notice of FLSA Collective Action Settlement, attached as **Attachment C** to be mailed to Collective Members.

1.16 "Collective Period" means June 26, 2022 through September 23, 2026.

1.17 "Collective Settlement Fund" means the amount of the Settlement allocated for payment to Collective Members for settlement and release of the FLSA Collective claim for overtime wages, which shall not exceed 10% of the Net Settlement Amount and shall be paid out of the Gross Settlement Amount.

1.18 "Court" means the San Diego County Superior Court.

1.19 "Covered Employees" means all Aggrieved Employees, all Class Members, and all Collective Members.

1.20 "Defense Counsel" means the captioned counsel of record from the law firm of Procopio, Cory, Hargreaves & Savitch LLP.

1.21 "Effective Date" means the date on which the Court enters Judgment on its order granting Final Approval of the Settlement and the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.22 "Employee Data" means all Covered Employees' identifying information in Defendant's possession including their names, last-known mailing addresses, Social Security numbers, and number of Class and Collective Workweeks and PAGA Pay Periods.

1.23 "Final Approval" means the Court's order granting final approval of the Settlement.

1.24 "Final Approval Hearing" means the Court's hearing on the final motion for approval of the Settlement.

1.25 "FLSA Collective Settlement Fund" means the amount of the Settlement allocated for payment to Collective Action members for settlement and release of the Released FLSA Collective Claims, which shall not exceed 10% of the Net Settlement Amount and shall be paid out of the Gross Settlement Amount.

1.26 "Gross Settlement Amount" means the non-reversionary maximum amount that Defendant, and/or its successor in interest on the liabilities related to the claims pled in this Action if any, shall pay in connection with this Settlement, in exchange for the release of the Covered Employees Released Class Claims, Released PAGA Claims, and Released FLSA Collective Claims. The Gross Settlement Amount is the gross sum of One Million, Five Hundred Seventy Five Thousand Dollars ($1,575,000). The Gross Settlement Amount includes: (a) all Individual Settlement Payments paid to Covered Employees; (b) the PAGA Payment to the California Labor & Workforce Development Agency ("LWDA") and the Net PAGA Payment to be allocated and paid to the Aggrieved Employees under the Private Attorneys' General Act ("PAGA"); (c) the Service Payment to the Named Plaintiff; (d) Attorneys' Fees and Litigation Costs to Plaintiffs' Counsel; and (e) Administration Expenses to the Administrator. Except for Defendant's Payroll Taxes or pursuant to the Escalator Clause set forth below, if applicable, the Parties agree that Defendant will have no obligation to pay any amount in connection with this Settlement Agreement apart from the Gross Settlement Agreement.

1.27 "Individual Class Payments" means the Participating Class Members' individual pro rata share of the Net Settlement Amount, calculated according to their number of Class Workweeks.

1.28 "Individual Collective Payments" means the Participating Collective Members' individual pro rata share of the Net Settlement Amount, calculated according to their number of workweeks worked during the Collective Period.

1.29 "Individual PAGA Payments" means the Aggrieved Employees' individual pro rata share of the Net PAGA Payment, calculated according to the number of PAGA Pay Periods.

1.30 "Individual Settlement Payments" means the Covered Employees' Individual Class Payments, Individual Collective Payments, and/or Individual PAGA Payments. Participating Class Members and Aggrieved Employees are not required to submit a claim form to receive their Individual Settlement Payments. Rather, those Participating Class Members and Aggrieved Employees will receive an Individual Settlement Share automatically, and thereby release their claims without the return of any claim form. However, to receive an Individual Collective Payment, Collective Members must opt in to receive their Individual Collective Payment through the consent procedures outlined in this Settlement Agreement. Those Putative Collective Members who do not opt-in through the consent procedures outlined in this Settlement Agreement shall not be Participating Collective Members under this Settlement Agreement.

1.31 "Judgment" means the judgment entered by the Court based upon the Final Approval of the Settlement.

1.32 "Litigation Costs" means all amounts incurred and to be incurred by Plaintiff's Counsel to prosecute the Action or any claims by Plaintiff against Defendant including but not limited to costs associated with documenting the Settlement, securing the Court's approval of the Settlement, administering the Settlement, obtaining entry of the Judgment terminating the Action, and expenses for any experts, according to proof and subject to Court approval, not to exceed $30,000.

1.33 "LWDA" means the California Labor Workforce and Development Agency.

1.34 "LWDA Payment" means the 65% share of the PAGA Payment allocated to be paid to the LWDA under Labor Code section 2699, subd. (m).

1.35 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Service Payment, Attorneys' Fees, Litigation Costs, the PAGA Payment (including the LWDA Payment and Net PAGA Payment), and the Administration Expenses.

1.36 "Net PAGA Payment" means the 35% share of the PAGA Payment allocated to be paid to the PAGA Employees under Labor Code section 2699, subd. (m).

1.37 "Non-Participating Class Member" means any Class Member who submits a valid and timely Request for Exclusion, attached as Exhibit B, from the Settlement.

1.38 "Non-Wage Portion" means the percentage of each Participating Class Member's Individual Class Payment that will be allocated to settlement of claims for interest and penalties as stated in Section 3.2(e) below.

1.39 "Operative Complaint" means the most recently filed complaint, including amended complaints, filed by Plaintiff in the Action.

1.40 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.41 "Participating Collective Member" means a Collective Member who opts in to receive their Individual Collective Payment through the consent procedures outlined in this Settlement Agreement. Those FLSA Collective Members who do not opt-in through the consent procedures outlined in this Settlement Agreement shall not be participants in this Settlement.

1.42 "PAGA" means California's Private Attorneys General Act of 2004.

1.43 "PAGA Counsel" means the captioned counsel of record from Ferraro Vega Employment Lawyers, Inc.

1.44 "PAGA Notice" means Plaintiff's letter, dated, February 7, 2025, to Defendant(s) and the LWDA, including any amendments thereto, pursuant to Labor Code § 2699.3(a).

1.45 "PAGA Pay Period" means any pay period during which a Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.46 "PAGA Payment" means $20,000, which is the amount provided in exchange for the release of the PAGA claims addressed in this Settlement, and which shall be paid from the Gross Settlement Amount, with 65% of the PAGA Payment constituting the LWDA Payment, with the remaining 35% constituting the Net PAGA Payment to be allocated and paid to Aggrieved Employees.

1.47 "PAGA Period" means February 7, 2024 to September 23, 2026.

1.48 "Plaintiff's Counsel" means the captioned counsel of record from Ferraro Vega Employment Lawyers, Inc.

1.49 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.50 "Released Class Claims" means release of Releasees from any and all claims, rights, demands, liabilities, and/or causes of action alleged by the Operative Complaint, or that reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Action, for time worked for Defendant in any non-exempt position, including, without limitation, all federal and California state claims for: (1) Failure to Pay all Wages Owed; (2) Failure to Provide Rest Periods;

(3) Wage Statement Violations; (4) Failure to Reimburse Necessary Business Expenses; (5) Waiting Time Penalties; and (6) Unfair Competition, together with claims for civil penalties under PAGA and including all attorneys' fees and costs incurred by Plaintiff's counsel in the Action.

1.51 "Released PAGA Claims" means the PAGA claims described below that shall be deemed released, to the fullest extent permitted by law, as to the Releasees for any and all Aggrieved Employees for any and all claims and causes of action for civil penalties that were alleged, or that reasonably could have been alleged, in the PAGA Notice, and based on the facts stated in the PAGA Notice and/or the Operative Complaint in the Action, including but not limited to: any and all claims and causes of action for civil penalties that were alleged, or that reasonably could have been alleged, based on the facts alleged in the February 7, 2025 PAGA Notice and/or the Operative Complaint in the Action, including but not limited to claims for: (1) Failure to Pay all Wages Owed; (2) Failure to Provide Rest Periods; (3) Wage Statement Violations; (4) Failure to Reimburse Necessary Business Expenses; (5) Waiting Time Penalties

1.52 "Released FLSA Collective Claims" means any and all claims and causes of action alleged based on the facts stated in the Operative Complaint in the Action for Failure to Pay all Overtime Wages under the FLSA.

1.53 "Releasees" or "Released Parties" means: Defendant PKL Services, Inc. and its present and former parent companies, subsidiaries, affiliates, divisions, and joint ventures, and all of their past and present shareholders, officers, directors, employees, agents, servants, owners, members, investors, executors, administrators, general partners, limited partners, real or alleged alter egos, predecessors, successors, transferees, assigns, registered representatives, attorneys, insurers, partners, profit sharing, savings, health, and other employee benefit plans of any nature, the successors of such plans and those plans' respective trustees, administrators, agents, employees, attorneys, fiduciaries, and other persons acting on their behalf, and each of them, and the predecessors, and successors, assigns and legal representatives of all such entities and individuals.

1.54 "Request for Exclusion" means a Class Member's submission of a signed written request to be excluded from the Class Settlement, including on the form provided with the Class Notice.

1.55 "Response Deadline" means forty-five (45) days after the Administrator mails the Class Notice to the Covered Employees and shall be the last date on which the Covered Employees may: fax, email, or mail: (a) a Request for Exclusion; (b) an objection to the Settlement; or (c) a dispute regarding their calculated number of Class Workweeks or PAGA Pay Periods, subject to a fourteen (14) day extension under the circumstances described in Section 7.5.

1.56 "Service Payment" means the payment to the Plaintiff for initiating and providing services in support of the Action in an amount up to $12,500, subject to Court

approval, which also constitutes consideration for Plaintiff's general release of all claims, as set forth in this Settlement Agreement.

1.57 "Settlement" means the disposition of the Action effected by this Settlement Agreement and the Judgment.

1.58 "Settlement Award" means the payment that each Participating Class Member, Participating Collective Member, and Aggrieved Employee shall be entitled to receive pursuant to the terms of this Settlement Agreement.

1.59 "USPS" means the United States Postal Service.

1.60 "Void Date" means the date that the checks issued by the Administrator will be voided pursuant to Section 4.3 below.

1.61 "Wage Portion" means the percentage of each Participating Class Member's Individual Class Payment and Participating Collective Member's Individual Collective Payment that will be allocated to settlement of wage claims as stated in Section 3.2(e) below

## 2. RECITALS

2.1 This Action originally comprised three lawsuits: Danny Balvaneda v. PKL Services, Inc.; 4M HR Logistics, filed in California Superior Court, County of San Diego, Case No. 25CU011586C (the "State Class Action"), Danny Balvaneda v. PKL Services, Inc.; 4M HR Logistics (the "State PAGA" action), filed in California Superior Court, County of San Diego, Case No. 25CU022118C, and Danny Balvaneda v. PKL Services, Inc., filed in California Superior Court, County of San Diego, Case No. 25CU056193C ("Class Claims for Waiting Time Penalties"). Plaintiff alleged class, the Private Attorneys' General Act, Cal. Labor Code §§ 2689 et. seq. ("PAGA"), and a collective action under the Fair Labor Standards Act and the wage and hour laws of the State of California for claims that Defendant PKL: (1) failed to pay all wages owed under California Labor Code §§ 200, 218, 1194, 1194.2, and 1197; (2) failed to pay all overtime wages owed both under California law and the FLSA; (3) meal period violations under Labor Code §§ 226.7 and 512; (4) rest period violations under Labor Code §§ 226.7 and 516; (5) paid sick leave violations under Labor Code §§ 200, 218, 246; (6) untimely payment of wages under Labor Code §§ 204, 210, 218; (7) waiting time penalties under Labor Code §§ 201-203; (8) wage statement violations under Labor Code § 226; (9) failure to reimburse business expenses under Labor Code § 2802; and (10) unfair competition under Business and Professions Code §§ 17200.

2.2 Plaintiff submitted a letter to the LWDA on February 7, 2025 regarding the allegations above and Plaintiff's intention to file a civil action under PAGA unless the LWDA elected to investigate the allegations on its own. The LWDA did not indicate an intention to investigate the allegations on its own within the applicable statutory time period. As mentioned above, a PAGA action was filed on April 28,

2025 which alleges one cause of action for PAGA penalties predicated on violations of the Labor Code.

2.3 On April 21, 2025 PKL removed the State Class Action, Case No. 25CU011586C to Federal Court on federal question jurisdiction ("Federal Class Action"). On June 18, 2025, PKL also removed the State PAGA Action, Case No. 25CU022118C, to Federal Court based on federal question jurisdiction ("Federal PAGA Action").

2.4 Defendant 4M was dismissed from all cases on June 25, 2026.

2.5 On June 26, 2025, Plaintiff amended his pleading in Federal Court to add an FLSA collective claim.

2.6 On July 24, 2025, PKL filed a Motion to Dismiss. On December 8, 2025, the Court dismissed Plaintiff's claims for California overtime, meal period violations, paid sick leave, and untimely payment of wages under Labor Code section 204 without leave to amend. Plaintiff filed a First Amended Complaint on June 26, 2025 and did not re-plead those dismissed state law claims or the FLSA minimum wage theory.

2.7 On June 23, 2026, Plaintiff and Defendant attended a full-day, in-person mediation with the Honorable Joan M. Lewis. At this mediation, the Parties agreed to resolve all claims asserted in all three lawsuits and in the Action and executed a memorandum of understanding, which serves as the basis for this Settlement Agreement. As part of the memorandum of understanding, the Parties agreed that they would jointly stipulate to give Plaintiff leave to amend the pending State Class Action (San Diego Superior Court Case No., 25 CU056193C) to add the PAGA and federal class and collective claims for: (1) Failure to Pay All Overtime Wages Owed (FLSA); (2) Failure to Pay all Wages Owed (California); (3) Rest Period Violations; (4) Wage Statement Violations; (5) Failure to Reimburse Business Expenses; (6) Waiting Time Penalties; (7) Unfair Competition; and (8) Civil Penalties under the Private Attorney General Act in San Diego Superior Court.

2.8 The Parties further agreed to file a joint Motion to Dismiss Entire Action Without Prejudice Pursuant to Fed. R. Civ. Proc. 41(a)(1)(A)(ii) with respect to Class Action and PAGA Action that were removed to the Federal District Court Southern District of California.

2.9 On August 3, 2026, the Parties filed a joint stipulation in which they agreed to allow Plaintiff to file a First Amended Class and Representative Complaint in the Superior Court of the State of California, Case No. 25CU056193C. Plaintiff filed a First Amended Complaint adding the PAGA and Federal Class and Collective claims pending in separate cases in the Southern District of California Case Nos. 3:25-cv-01569-JAH-AHG and 3:25-cv-00963-GPC-JLB prior to the scheduled dismissal in federal court.

2.10 On August 4, 2026 Plaintiff's First Amended Class, Collective, and Representative Action Complaint was filed alleging the following claims: (1) Failure to Pay All

Overtime Wages Owed (FLSA); (2) Failure to Pay all Wages Owed (California); (3) Rest Period Violations; (4) Wage Statement Violations; (5) Failure to Reimburse Business Expenses; (6) Waiting Time Penalties; (7) Unfair Competition; and (8) Civil Penalties under the Private Attorney General Act in San Diego Superior Court.

2.11 Class Counsel has made an independent investigation of the facts and law relating to the allegations in the Action. In agreeing to this Settlement Agreement, Plaintiff has considered: (a) the facts developed leading up to mediation and through the Parties' mediation process and the law applicable thereto; (b) the attendant risks of continued litigation and the uncertainty of the outcome of the claims alleged against Defendant; and (c) the desirability of consummating this Settlement according to the terms of this Settlement Agreement. Plaintiff has concluded that the terms of this Settlement are fair, reasonable and adequate, and that it is in the best interests of Plaintiff and the Settlement Class (as defined above) to settle their claims against Defendant pursuant to the terms set forth herein.

2.12 Defendant denies the allegations in the Action and deny any and all liability, including any liability for the alleged violations. This Settlement Agreement shall not be construed as an admission by Defendant or any of the Releasees (as defined above) of any fault, liability or wrongdoing, which Defendant expressly denies. Defendant recognizes the defense of class action litigation would be prolonged and expensive, requiring substantial amounts of time, energy, and resources devoted to the defense of the litigation, especially if the findings are appealed. Litigation is also carried out in a public forum and can create a stressful experience for all parties involved. As an aerospace company that provides innovative solutions to governments, Defendant prefers to continue focusing on their mission and serve their clients and employees.

2.13 The Parties recognize that notice to the Class and Collective Members of the material terms of this Settlement, as well as Court approval of this Settlement, are required to effectuate the Settlement, and that the Settlement will not become operative until the Court grants final approval of it, the Settlement becomes Final and the Effective Date occurs.

2.14 The Parties stipulate and agree that, for settlement purposes only, the requisites for establishing collective action certification under the FLSA pursuant to 29 U.S.C. § 216(b), and class certification are met. Should this Settlement not become Final, such stipulation to certification shall become null and void and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not collective or class certification would be appropriate in a non-settlement context. Defendants deny that class and/or collective action treatment is appropriate in the litigation context or for trial.

2.15 In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, IT IS HEREBY AGREED, by and between the undersigned, subject to the final

approval of the Court and the other conditions set forth herein, that Named Plaintiff's and the Participating Class Member, Participating Collective Member, and PAGA Group's claims as described herein against Defendant shall be settled, compromised and dismissed, on the merits and with prejudice, and that the Released PAGA Claims, Released Class Claims, and Released FLSA Collective Claims shall be finally and fully compromised, settled and dismissed as to the Defendants and Releasees, in the manner and upon the terms and conditions set forth below

**3. MONETARY TERMS.**

3.1 Gross Settlement Amount. Subject to all terms of this Settlement Agreement and the Court's Final Approval Order, Defendant shall pay the Gross Settlement Amount in connection with this Settlement. The Administrator shall be the only entity authorized to make withdrawals or payment from the Qualified Settlement Fund. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Covered Employees to submit any claim or form as a condition of payment. The Gross Settlement Amount is non-reversionary.

(a) Employer Payroll Taxes: The Gross Settlement Amount does not include any employer payroll taxes owed on the Wage Portion of the Individual Class Payments, which shall be paid separately by Defendant as calculated by the Administrator.

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 approved by the Court:

(a) To Plaintiff: The Service Payment, in addition to any Individual Settlement Payment that they may be entitled to receive as a Covered Employee, subject to the Court's approval. If the Court approves a Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Service Payment(s) using IRS Form 1099. An award of less than the requested amount for the Service Payment will not give rise to a basis to abrogate the Settlement Agreement and the Court has authority under this Settlement Agreement to reduce (or increase) the Service Payment, at its discretion at the final approval stage.

(b) To Plaintiff's Counsel:

(i) Attorneys' Fees and Litigation Costs to Plaintiff's Counsel. Subject to the Court's approval, Class Counsel shall receive a Attorneys Fees in an amount up to thirty-three and one-third percent (33.33%) of the Gross Settlement Amount, which will compensate Class Counsel for all work performed in the Action, the Federal PAGA and Federal Class Action, as of the date of this Settlement

Agreement as well as all of the work remaining to be performed, including but not limited to documenting the Settlement, securing Court approval of the Settlement, making sure that the Settlement is fairly administered and implemented, and obtaining final dismissal of the Action. In addition, Class Counsel shall, subject to Court approval, receive reimbursement of Litigation Costs, to be approved by the Court. Defendant will not oppose requests for these payments, provided the requests do not exceed the amounts set forth in this Settlement Agreement. If the Court approves Attorneys' Fees and/or Litigation Costs in an amount less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Attorneys' Fees and Litigation Costs using one or more IRS 1099 Forms.

The approved Attorneys' Fees and Litigation Costs, even if less than what Class Counsel, requests, shall constitute full satisfaction of Defendant's obligation to pay amount to any person, attorney or law firm for attorneys' fees or costs in this Action on behalf of Plaintiff and Class/CollectiveMembers or Aggrieved Employees, and shall relieve Defendant from any other claims or liability to any other attorney or law firm for any attorneys' fees or costs to which any of them may claim to be entitled on behalf of Plaintiff or any other Class Member. If the Court approves Attorneys' Fees and/or Litigation Costs in amounts less than what Class Counsel requests, the reduction in the Attorneys' Fees and/or Litigation Costs shall not be a basis for nullification of this Settlement. Nor shall a reduction in the Attorneys' Fees and/or Litigation Costs in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming Effective. However, this provision does not restrict Plaintiff's right or ability to appeal any order on attorneys' fees.

(c) To the Administrator: Administration Expenses to the Administrator. To the extent the Administration Expenses are less or the Court approves payment less than the Administration Expenses set forth in this Settlement Agreement, the Administrator will allocate the remainder to the Net Settlement Amount.

(d) To the LWDA: Subject to Court approval, the PAGA Payment will be allocated to cover any and all claims for civil penalties associated with the Released Claims that were, or could have been, brought in the Action under PAGA based on the factual allegations in the Operative Complaint and PAGA Notice; 65% of the PAGA Payment will be paid to the LWDA (i.e., the LWDA Payment) and the remaining 35% of the PAGA Payment (i.e., the Net PAGA Payment) will be distributed to Aggrieved Employees on a pro rata basis, as set forth below, as penalties in exchange for a full and final release of the PAGA claims. The Court has authority under this Settlement

Agreement to increase (or reduce) the PAGA Payment up to and including at the final approval hearing, and the Parties respectfully reserve the right to increase (or reduce) the PAGA Payment up to and including at the final approval stage, subject to the Court's final approval. If the Court approves a PAGA Payment 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.

(e) To Each Participating Class Member/Tax Allocation:

(i) An Individual Class Payment calculated by: (a) dividing the Class Settlement Fund Amount by the total number of Class Workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by each Participating Class Member's Class Workweeks. 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. 10 % of each Participating Class Member's Individual Class Payment will be allocated to the Wage Portion. The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 90% of each Participating Class Member's Individual Class Payment will be allocated to 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.

(f) To Each Aggrieved Employee/Tax Allocation: Members of the PAGA Group shall receive a pro rata portion of 35% ($7,000.00) of the PAGA Payment based on the number of pay periods they worked for Defendant during the PAGA period. An Individual PAGA Payment calculated by: (a) dividing the Net Settlement Amount by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employees' PAGA Pay Periods. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. Covered Employees assume full responsibility and liability for any individual taxes owed on their Individual PAGA Payment. Aggrieved Employees may not opt out of such payments.

(g) FLSA Fund Distribution/Tax Allocation: The FLSA Settlement Fund (representing up to 10% of the Net Settlement Amount) shall be distributed to Collective Members on a pro-rata basis. Cashing, depositing, or negotiating this check shall constitute consent to join the FLSA portion of the settlement. Individual Collective Payment shall be calculated by: (a)

dividing the FLSA Collective Settlement Fund Amount by the total number of Collective Workweeks worked by all Collective Members during the Collective Period; and (b) multiplying the result by each Collective Member's Collective Workweeks. Collective Members who do not sign and cash the checks for their Individual Collective Payment within 12 months will not be considered Participating Collective Members bound by this Settlement Agreement. 10% of each Participating Collective Member's Individual Collective Payment will be allocated to the Wage Portion. The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 90% of each Participating Collective Member's Individual Collective Payment will be allocated to the Non-Wage Portion. The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Collective Members assume full responsibility and liability for any employee taxes owed on their Individual Collective Payment.

(h) No Claim Based Upon Distributions or Payments in Accordance with this Settlement Agreement. No person shall have any claim against Defendant, Class Counsel, or Defendant's Counsel based on distributions or payments made in accordance with this Settlement Agreement.

## 4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Delivery of Employee Data to Administrator. Not later than 14 business days after the Court grants Preliminary Approval, Defendant will simultaneously deliver the Employee Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Covered Employees' privacy, the Administrator must maintain the Employee Data in confidence, use the Employee Data only for purposes of this Settlement, and restrict access to the Employee Data to Administrator employees who need access to the Employee Data to effect and perform under this Settlement Agreement. Defendant has a continuing duty to immediately notify Plaintiff's Counsel if it discovers that the Employee Data omitted Covered Employees' identifying information and to provide corrected or updated Employee Data as soon as reasonably feasible. Without any extension of the foregoing deadline the Parties and their counsel must expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Employee Data. Class Counsel has requested this information for the stated purpose of assisting with the administration of the Settlement, including fielding questions from Class Members and Collective Members and Aggrieved Employees. Class Counsel agrees that they will use this information solely for the purpose of Settlement administration.

4.2 Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement Amount of $1,575,000 in two equal installments of $787,500, plus the amount necessary to fully pay Defendant's share of payroll taxes. Defendant shall transmit the first installment of $787,500 to the Administrator within twenty (20) business days of the Court's final approval of the Gross Settlement Amount or June 30, 2027, whichever occurs later. Defendant shall transmit the second installment of

$787,500 to the Administrator on January 31, 2028, or six (6) months after the first installment payment is made, whichever occurs later.

4.3 Payments from the Gross Settlement Amount. Within 14 calendar days (or next business day) after Defendant funds the Gross Settlement Amount in the first and/or second installment, the Administrator shall be authorized to disburse payments of the Administration Expenses Payment, LWDA PAGA Payment, Service Payment, the Class Counsel Attorneys' Fees, and Class Counsel Litigation Costs from the first installment payment, and shall hold in trust the remaining sums for disbursement of the Individual Settlement Payments and Individual PAGA Payments until the second and final installment payment is received in accordance with the funding schedule in the preceding paragraph. The Administrator shall then provide written certification of mailing to Class Counsel and Defendant's counsel.

(a) The Administrator will issue checks for the Individual Settlement Payments and send them to Covered Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than twelve (12) months after the date of mailing) when the check will be voided (the "Void Date"). The Administrator will cancel all checks not cashed by the Void Date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

(b) The Administrator must conduct an Address Search for all other Covered Employees whose checks are returned undelivered without USPS forwarding addresses. 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 Address Search. The Administrator need not take further steps to deliver checks to Covered Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Covered Employee whose original check was lost or misplaced, requested by the Covered Employee prior to the void date.

(c) For any Covered Employee whose Individual Settlement Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds, in the name of the Covered Employee, to the State of California's Unclaimed Property Division.

(d) The payment of Individual Settlement Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Covered Employee beyond those specified in this Settlement Agreement.

(e) The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees, who have no right to opt-out or otherwise exclude

themselves from the settlement and release of PAGA claims set forth in this Settlement.

4.4 Late Payment. If Defendant does not make any installment payment by its due date, Defendant may pay the full outstanding installment payment amount within ten (10) calendar days after that due date (the "Grace Period"). A payment of that particular installment payment made in full within the Grace Period is treated as timely, and no interest, fee, or other consequence under this Section applies.

4.5 Default. An "Event of Default" occurs if Defendant does not pay the full installment payment by the end of the Grace Period. Plaintiff's Counsel shall give Defendant's Counsel written notice of the Event of Default by email, but the Event of Default is effective as soon as the Grace Period ends, regardless of when Plaintiff's Counsel provides written notice.

4.6 Consequences of Default. When an Event of Default occurs:

(a) **Acceleration.** The entire unpaid balance of the Settlement Amount becomes immediately due and payable, without further notice or demand.

(b) **Interest.** The accelerated balance accrues interest at [10]% per year, or the maximum rate allowed by law if that is lower, from the original due date of the missed payment until it is paid in full.

(c) **Stipulated Judgment.** Plaintiff's Counsel may apply ex parte to the Court for entry of judgment against Defendant for the Gross Settlement Amount, less any payments already made, plus accrued interest. Defendant hereby stipulates to that judgment and waives any objection to its entry other than proof of payment.

(d) **Fees and Costs.** Defendant shall pay all reasonable attorneys' fees and costs that Plaintiff's Counsel incurs to enforce this Section or collect any amount owed.

(e) **No Release Until Paid.** The below releases given by the Class do not take effect until the Settlement Amount, plus any interest, fees, and costs owed under this Section, is paid in full.

4.7 Time is of the Essence. The Parties agree time is of the essence for every payment obligation and deadline in this Settlement Agreement, including each Installment Payment. The Grace Period is the only extension of any payment deadline. Defendant is not entitled to any other extension, cure period, or forbearance unless the Parties agree to it in a writing signed by Plaintiff's Counsel and Defendant's Counsel.

4.8 Payments to the Responsible Tax Authorities. The Administrator will pay the Participating Class Members' and Participating Collective Members' portion of normal payroll withholding taxes out of each person's Individual Class/Collective

Payment. The Administrator shall also pay Defendant's portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities. The Administrator will calculate the amount of the Participating Class Members' and Participating Collective Member's portion of payroll withholding taxes and forward those amounts to the appropriate taxing authorities.

## 5. RELEASES OF CLAIMS.

**Effective on the date when Defendant fully funds the Gross Settlement Amount and all associated employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the following releases of claims will take effect:**

5.1 Plaintiff's General Release. In addition to the Released Class Claims, Collective Claims, and Released PAGA Claims and in exchange for the Service Payment, Plaintiff generally, releases and discharges the Released Parties from all claims, transactions, or occurrences, including, but not limited to: any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, arising out of or in connection with their employment with Defendant, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date the Plaintiff(s) executes this Settlement Agreement. This general release includes, without limitation: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Service Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum or overtime wages, failure to timely pay wages, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide meal periods or rest breaks, failure to provide paid sick leave, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order; (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair

dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs. Plaintiff's general release does not extend to any claims or actions to enforce this Settlement Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Plaintiff(s) acknowledge that he may discover facts or law different from, or in addition to, the facts or law that Plaintiff now know or believe to be true but agree, nonetheless, that Plaintiff's general release shall be and remain effective in all respects, notwithstanding such different or additional facts or their discovery of them.

Plaintiff's Section 1542 Waiver. For purposes of Plaintiff's general release, Plaintiff expressly waives 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 release the Released Parties from the Released Class Claims during the Class Period. 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 outside of the Operative Complaint or outside the Class Period, except as otherwise provided in this Settlement Agreement.

5.3 Release by Participating Collective Members: All Participating Collective Members release the Released Parties from the Released FLSA Collective Claims during the Collective Period. Participating Collective 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 outside of the Operative Complaint or outside the Collective Period, except as otherwise provided in this Settlement Agreement.

5.4 Release by Aggrieved Employees: Plaintiff, acting as a proxy and private attorney general on behalf of the State of California (including the LWDA) and on behalf of all Aggrieved Employees, releases the Released Parties from the Released PAGA Claims during the PAGA Period. The Aggrieved Employees will be forever barred from pursuing the Released PAGA Claims against the Released Parties. The Aggrieved Employees will be bound by this Settlement and may not opt out of the Settlement or this release of claims. The Aggrieved Employees **do not** release any other claims based on facts outside the PAGA Notice and/or Operative Complaint

or outside the PAGA Period, except as otherwise provided in this Settlement Agreement.

Plaintiff and Class Members, Collective Members, and the Aggrieved Employees to the Fullest extent allowed by law, are prohibited from asserting any claims released by them in this Settlement, and from commencing, joining in, prosecuting, or voluntarily assisting in a lawsuit or adversarial proceeding against the Releasees, based on claims released by them in this Settlement. Excluded from this prohibition are any instances where any individual is legally compelled to testify through service of a subpoena or other legal process.

## 6. MOTION FOR SETTLEMENT APPROVAL.

6.1 Preliminary Approval. Not later than 16 court days before the Preliminary Approval Hearing, Plaintiff shall move for an order conditionally certifying the Class and Collective for settlement purposes only, granting Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class and Collective Notice. Defendant shall accept service of the Motion (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service at the email addresses set forth in this Settlement Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement.

6.2 PAGA Approval. Plaintiff shall prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this PAGA Settlement under Labor Code § 2699(s)(2). To effectuate Final Approval and Judgment of the Settlement of PAGA claims, Plaintiff shall prepare either a Joint Stipulation Approving PAGA Settlement (subject to Defense Counsels' review and revision) or a Motion for Approval of PAGA Settlement. Plaintiff shall file declarations from Plaintiff's Counsel and the Plaintiff to support the Settlement.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Settlement or forthcoming motions or joint stipulations for approval, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to resolve the disagreement. If the Court does not grant Settlement approval or conditions any approval or review on any material change to this Settlement Agreement, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to modify the Settlement Agreement and satisfy the Court's concerns. Should the Court decline to approve all material aspects of the Settlement, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it.

6.4 Dismissal and Filing of Amended Complaint. The Parties will jointly stipulate to give Plaintiff leave to amend the pending State Class Action (San Diego County Superior Court, Case No. 25CU056193C) to add the Federal PAGA and Federal

Class and Collective claims for: (1) Failure to Pay All Overtime Wages Owed (FLSA); (2) Failure to Pay All Wages Owed (California); (3) Rest Period Violations; (4) Wage Statement Violations; (5) Failure to Reimburse Business Expenses; (6) Waiting Time Penalties; (7) Unfair Competition; and (8) Civil Penalties under the Private Attorneys General Act in San Diego Superior Court. The Parties will file joint Motions to Dismiss Entire Action Without Prejudice Pursuant to Fed. R. Civ. Proc. 41(a)(1)(A)(ii) with respect to the Federal PAGA Action (Case No. 3:25-cv-01569-JAH-AHG) and Federal Class and Collective Action (Case No. 3:25-cv-00963-GPC-JLB) cases in the Southern District of California.

## 7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected the Administrator to administer this Settlement. The Administrator agrees to be bound by this Settlement Agreement and to perform, as a fiduciary, all duties specified in this Settlement Agreement in exchange for payment of Administration Expenses. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to calculate payroll tax withholdings and report to state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under U.S. Treasury Regulation section 468B-1. All disbursements shall be made from the Qualified Settlement Fund.

7.4 Notice to Class and Collective Members.

(a) No later than 3 business days after receipt of the Employee Data, the Administrator shall notify Plaintiff's Counsel that the list has been received and state the number of Covered Employees and Class Workweeks and PAGA Pay Periods in the Employee Data.

(b) Using best efforts to perform as soon as possible, and no later than 14 days after receiving the Employee Data, the Administrator will send to all Class Members and Collective Members identified in the Employee Data, via first-class USPS mail, the Class Notice substantially in the form attached to this Settlement Agreement as Attachment A and the Collective Noice substantially in the form attached to this Settlement Agreement as Attachment C. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment payable to the Class Member, and the number of Class Workweeks used to calculate these amounts. Similarly, the first page of the Collective Notice shall prominently

estimate the dollar amounts of any Individual Collective Payment payable to the Collective Member, and the number of Collective Workweeks used to calculate these amounts. Before mailing Class Notices and Collective Notices, the Administrator shall update Covered Employees' addresses using the National Change of Address database.

(c) Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice and/or Collective Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct an Address Search, and re-mail the Class Notice and/or Collective Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notices or Collective Notices that are returned by the USPS a second time.

(d) The deadlines for Class Members' written objections, challenges to Class Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the Response Deadline for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

(e) If the Administrator or Plaintiff's Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Employee Data and should have received Class Notice, the Parties will expeditiously meet and confer in a good-faith effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Settlement Agreement not later than 14 days after receipt of Class Notice, or the deadline date in the Class Notice, whichever is later.

7.5 Requests for Exclusion (Opt-Outs).

(a) 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 on or before the Response Deadline, plus an additional 14 days for Class Members whose Class Notice is re-mailed. A Request for Exclusion is a letter from a Class Member or their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, social security number, 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 and must be individually signed by the Class Member or their representative. No requests for exclusions can be made on behalf of a group. None of the Parties, their counsel, nor any

person on their behalf, shall seek to solicit or otherwise encourage anyone to exclude themselves from the settlement. Aggrieved Employees may not opt out of the PAGA component of the Settlement; to the extent that a Class Member validly opts out of the Settlement, he or she will still receive a payment from the PAGA component of the Settlement and will still be subject to the release of PAGA claims pursuant to the terms of this Settlement Agreement.

(b) The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator shall make a recommendation to counsel for the Parties as to the validity of the exclusion. Counsel for the Parties shall then meet and confer in an effort to resolve the issue. If the issue concerning the validity of the exclusion cannot be resolved by the Parties, it shall be presented to the Court for resolution. 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.

(c) In the event any request for exclusion is timely submitted but does not contain sufficient information to be valid, the Administrator shall provide the Class Member or Collective Member, within seven (7) calendar days, a letter requesting the information that was not provided and giving the individual fourteen (14) days from the mailing of such cure letter to respond. Any invalid submission that is not timely cured will be considered a nullity.

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

(e) 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, nor shall they have the right to object to the class action components of the Settlement.

(f) Challenges to Calculation of Class Workweeks. Each Participating Class Member shall have until the Response Deadline (plus an additional 14 days for Participating Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks allocated to the Participating Class Member in the Class Notice. The Participating Class Member may challenge the allocation by communicating with the Administrator via fax,

email, or mail. The Administrator must encourage the challenging Participating Class Member to submit supporting documentation. The Administrator shall notify counsel for the Parties of any disputes it receives. Unless the challenging Participating Class Member presents convincing evidence proving he or she worked more workweeks than shown by the Employee Data, his/her Individual Settlement Payment will be determined based on Defendant's records. Defendant shall review its records and provide further information to the Administrator, as necessary. In the absence of any contrary documentation, the Administrator is entitled to presume that the Class Workweeks contained in the Class Notice are correct so long as they are consistent with the Employee Data. The Administrator shall make an initial recommendation regarding the validity of any Class Member's challenge to workweeks. Counsel for the Parties shall then meet and confer in an effort to resolve the dispute. If the dispute cannot be resolved by the Parties, it shall be presented to the Court for a resolution. The Administrator will notify the disputing Covered Employee of the decision.

7.6 Objections to Settlement.

(a) The Class Notice shall provide that Participating Class Members who wish to object to the Settlement must, on or before the Response Deadline, file with the Court a written statement objecting to the Settlement. Such objection shall not be valid unless it includes the information specified in the Class Notice. Only Participating Class Members may object to the Settlement, including contesting the fairness of the Settlement.

(b) Participating Class Members who are objecting must file with the Court a written objection. The statement must be signed personally by the objector, and must include the objector's name, address, telephone number, email address (if applicable), the factual and legal grounds for the objection, and whether the objector intends to appear at the Final Approval Hearing. To effect filing of the objection, the objection must be mailed to the Court via U.S. Mail, and copies must be sent to Class Counsel and Defendant's Counsel via U.S. Mail. The Class Notice shall advise Class Member that objection shall only be considered if the Class Member has not opted out of the Settlement. No Class Member shall be entitled to be heard at the Final Approval Hearing (whether individually or through counsel) , unless written notice of the Class Member's intention to appear at the Final Approval Hearing has been filed with the Court and served upon Class Counsel and Defendant's Counsel on or before the Response Deadline and the Class Member has not requested to be excluded from the Settlement. The postmark date of mailing to Class Counsel and Defendant's counsel shall be the exclusive means for determining that an objection is timely mailed to counsel. However, this provision does not seek to restrict the Court's ability to allow any objector to appear or make a request to object at the final approval hearing.

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

7.7 FLSA Collective Opt-In Procedure

(a) Checks for the amount allocated to each FLSA Collective Member will be mailed directly to those individuals and will bear language on the reverse of the check similar to the following, with the pending case accurately referenced: "By endorsing this check, I hereby consent to join the lawsuit entitled *Danny Balvaneda v. PKL Services, Inc*., Superior Court of California for the County of San Diego, Case No. 25CU056193C, pursuant to the provisions of the Fair Labor Standards Act ("FLSA"), 29 USC Section 216(b), for purposes of participating in the settlement. I further understand and agree that my signing, cashing, depositing, or otherwise negotiating this check constitutes a full and complete release of any and all FLSA Claims I may have based on the factual allegations of the above-entitled action. I agree that a copy of this check reflects my consent to join this action and may be filed with the Court, with personal information other than my name redacted, as evidence of my consent."

(b) All Collective Members who sign, cash, deposit, or otherwise negotiate their FLSA Check within twelve (12) months after the date on which the FLSA Check is issued will be Participating FLSA Collective Members who are bound by all terms and conditions of this Settlement, including the release of claims. All individuals who do not sign, cash, deposit, or otherwise negotiate the check shall be deemed to have not waived such released claims. Checks that are not cashed, deposited, or otherwise negotiated by the FLSA Collective Members, if any, will be redistributed on a pro rata basis based on respective settlement share to the Participating FLSA Collective Members, or if the amount to be redistributed to any FLSA Collective is of a value that exceeds the cost of redistribution, be sent to the State of California's Unclaimed Property Division.

7.8 Administrator Duties. The Administrator has a duty and is authorized to perform and observe all tasks necessary to effectuate and administer the Settlement in a manner consistent with the terms of this Settlement Agreement.

(a) Email Address and Toll-Free Number. The Administrator will establish, maintain, and use its own company website with their contact information included so that Covered Employees may find the Administrator on the World Wide Web. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Covered Employee telephone calls and emails.

(b) 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 Response Deadline, the

Administrator shall email a list to Plaintiff's 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).

(c) Weekly Reports. The Administrator must, on a weekly or biweekly basis, provide written reports to Plaintiff's Counsel and Defense Counsel that tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Class Workweeks received and/or resolved, and checks mailed for Individual Class Payments. The Weekly Reports must provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received. The Administrator shall provide Class Counsel and Defendant's Counsel with a final report of all Settlement Awards, at least ten (10) business days before ethe Settlement Awards to the Covered Employees are mailed.

(d) Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Plaintiff's 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 Settlement Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Covered Employees, 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. Plaintiff's Counsel is responsible for filing the Administrator's declaration(s) in Court.

(e) Final Report by Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Plaintiff's Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Settlement Agreement. At least 15 days before any deadline, including filing deadlines, set by the Court, if applicable and if requested by either Party, the Administrator will prepare, and submit to Plaintiff's Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Settlement Agreement.

8. **ESCALATION CLAUSE.** Based on its records, Defendant has provided a Class Workweek Estimate. In the event the Class Workweek Estimate is lower than the total number of Class Workweeks as calculated by the Administrator based on the Employee Data by more than 10%, the Parties agree that the Gross Settlement Amount shall be increased proportionately by the same percentage above 10%. For example, if the total Class Workweeks is in fact 11% higher than the Class Workweek Estimate, the Gross Settlement Amount will be increased by 1%.

**9. EMPLOYEE ESTIMATE.** Based on the records evaluated, there are an estimated 562 Class Members who worked during the Class Period, a total of 506 employees who worked during the Collective Period, and 418 Aggrieved Employees who worked for Defendant during the PAGA period.

**10. DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement in its sole discretion. If Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and neither Party shall have any further obligation to perform under this Settlement Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. To elect to withdraw, Defendant must notify Plaintiff's Counsel and the Court of its election to withdraw not later than 14 days after receiving a report from the Administrator informing Defendant's Counsel that the total number of timely and valid Requests for Exclusion is more than five percent (5%). If Defendant chooses to exercise this option, the effect will be precisely the same as if Final Judgment did not occur, as discussed herein.

11. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the Final Approval Hearing, Plaintiff will file in Court and serve on Defendants a Motion for Final Approval of the Settlement that includes a Proposed Final Approval Order and a Proposed Judgment, which shall specifically state and include a request for approval of the PAGA settlement under Labor Code § 2699, subd. (s). Such entry of final Judgment shall operate to permanently bar and enjoin all Participating Class Members and Participating Collective Members and Aggrieved Employees, as applicable, from instituting, commencing, prosecuting, or pursuing, either directly or in any other capacity, any of the claims, damages, causes of action, or claims for Attorney's Fees asserted in the Action or in the Federal PAGA or Federal Class Action, or identified as Released Claims in this Settlement Agreement. Notwithstanding the entry of final judgment in this Action, the Court shall retain jurisdiction to interpret and enforce this Settlement. Plaintiff's Counsel will provide drafts of the Motion for Final Approval and any supporting declarations and the Proposed Final Approval Order and Proposed Judgment to Defense Counsel in advance of filing for Defense Counsel's review. Defendant shall accept service of the Motion for Final Approval (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service at the email addresses set forth in this Settlement Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement. The Preliminary Approval Order and Final Judgment will contain provisions enjoining Plaintiff and the Participating Class Members and Participating Collective Members and Aggrieved Employees from initiating or continuing other proceedings regarding the claims released herein, including but not limited to any filing any claims for monetary relief of the Released Claims before ethe Division of Labor Standards and Enforcement ("DLSE") or in any forum whatsoever. Inclusion of these provisions in this Order of Preliminary Approval Order and Final Judgment and Order of Final Approval is a material part of the consideration for this Settlement. After approval of the Settlement at the Final Approval Hearing and upon receipt of the final payment, the Participating Class Members, Participating Collective Members, the Aggrieved Employees, and the Plaintiff each release the Releasees, and each of them, of and from any and all of the Released Claims.

11.1 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 prior to the Final Approval Hearing, or as otherwise provided by the Court.

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement, the Parties will expeditiously work together through counsel in good faith to address the Court's concerns by revising the Settlement Agreement as necessary to obtain Final Approval.

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

11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Settlement Agreement, specifically including the Attorneys' Fees and Litigation Costs set forth in this Settlement, the Parties, their respective counsel, and all Covered Employees, excluding opt outs, as applicable and provided in this Settlement 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.

11.5 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 Settlement Agreement (including, but not limited to, the scope of release to be granted by Covered Employees), this Settlement Agreement shall be null and void. The Parties shall agree to 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.

12. **POST DISTRIBUTION ACCOUNTING.** Within 21 days after distribution of any remaining monies to the Participating Class Member, Participating Collective Member, and/or to the Aggrieved Employees, Plaintiff will file a Post-Distribution Accounting. The Post-Distribution Accounting will set forth the total settlement fund, the total number of Participating Class Members, Participating Collective Members, and Aggrieved Employees, the total number of Covered Employees to whom notice was sent and not returned as undeliverable, the number and percentage of opt-outs, the number and percentage of objections, the average and median recovery per claimant, the largest and smallest amounts paid to class members and collective members and aggrieved employees, the method of notice and the method of payment to class members, the number and value of check not cashed, the administrative costs, the attorneys' fees and costs, the attorneys' fees in terms of percentage of the settlement fund, and the multiplier, if any.

**13. 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.

**14. ADDITIONAL PROVISIONS.**

14.1 No Admission of Liability, Class or Collective Certification or Representative Manageability for Other Purposes. This Settlement Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Settlement Agreement is intended or should be construed as an admission by the Parties that any of the allegations or the defenses in the Operative Complaint have merit or that there is any liability for any claims asserted or that any claims may proceed on a class, collective, or representative basis. The Settlement, this Settlement Agreement, and the 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 Settlement Agreement).

14.2 Submission to the LWDA. At the same time as they submit this Class Action Settlement Agreement to the Court for Preliminary Approval, Class Counsel shall submit a copy of this Settlement Agreement to the LWDA, as required by California Labor Code § 2699(*l*)(2). Within ten (10) days following the Effective Date, Class Counsel shall submit a copy of the Final Approval Order and Judgment entered by the Court to the LWDA, as required by California Labor Code § 2699(*l*)(3).

14.3 Public Comment**.** The Parties and their Counsel agree that they will not issue a press release or hold any press conferences or initiate contact with a member of the press, including on social media, about this case and/or the fact, amount or terms of the Settlement. If the Parties are contacted by the press about the Settlement, they will respond only that the case has been resolved. Nothing in this paragraph shall prevent Class Counsel from communicating with the Settlement Class Members, the LWDA, the DLSE, or the courts in which the Action is pending, as may be required to carry out the terms of this Settlement and/or fulfill their ethical responsibilities under the Settlement and to their respective clients.

**15. REDUCED SERVICE AWARD, FEE AWARD, OR CLASS COUNSELS' COSTS NOT A BASIS FOR VOIDING SETTLEMENT. If the Court approves a Service Award, Fee Award, and/or Class Counsels' Costs in amounts less than what Named Plaintiff and/or Class Counsel request, the Parties agree that the reduction in the Service Award, Fee Award, and/or Class Counsels' Costs will not be a basis for nullification of this Settlement. Nor will a reduction in the Service Award, Fee Award, or Class Counsels' Cost in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming Effective.**

15.1 Inadmissibility of Settlement Agreement**.** Except for purposes of settling this Action, or enforcing its terms (including that claims were settled and released), resolving an alleged breach, or for resolution of other tax or legal issues arising from a payment under this Settlement Agreement, neither this Settlement Agreement, nor its terms, nor any document, statement, proceeding or conduct related to this Settlement Agreement, nor any reports or accounts thereof, shall be construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to the Parties, including, without limitation, evidence of a presumption, concession, indication or admission by any of the Parties of any liability, fault, wrongdoing, omission, concession or damage.

15.2 Interim Stay of Proceedings**.** The Parties agree to hold in abeyance all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement. Further, without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of time to carry out any of the provisions of the Settlement

15.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Covered Employee to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Plaintiff's Counsel's ability to communicate with Covered Employees in accordance with Plaintiff's Counsel's ethical obligations owed to Covered Employees.

15.4 Integrated Settlement Agreement. Upon execution by all Parties and their counsel, this Settlement Agreement together with its attached exhibits shall constitute the entire Settlement Agreement between the Parties relating to the Settlement, superseding any and all prior and contemporaneous oral representations, warranties, covenants, or inducements made to or by any Party. Each of the Parties acknowledges that they have not relied on any promise, representation or warranty, express, or implied, not contained in this Settlement Agreement. No rights hereunder may be waived except in writing.

**16. AUTHORIZATION TO ENTER INTO SETTLEMENT AGREEMENT.** The Parties warrant and represent that they are authorized to enter into this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel shall cooperate with each other and use their best efforts to effect the implementation of the Settlement Agreement. In the event that the Parties are unable to reach resolution on the form or content of any document needed to implement this Settlement Agreement, or on any supplemental provisions or actions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties shall seek the assistance of the mediator, Honorable Joan M. Lewis, to resolve such disagreement.

16.1 Attorney Authorization. Plaintiff's Counsel and Defense Counsel separately warrant and represent that they are authorized by the Parties, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Settlement Agreement including any amendments to this Settlement Agreement.

16.2 Cooperation. The Parties and their counsel will cooperate and use commercially reasonable efforts, in good faith, to implement the Settlement by modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court, among other things. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Settlement Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

16.3 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.

16.4 No Tax Advice. Neither the Parties, Plaintiff's Counsel, nor Defense Counsel are providing any advice regarding taxes or taxability or tax liability of any Class Member, 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. To the extent this Settlement Agreement, or any of its attachments, is interpreted to contain or constitute advice regarding any federal, state, or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

16.5 Modification of Settlement Agreement. This Settlement Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or Plaintiff's Counsel and Defense Counsel, as their legal representatives.

(a) Settlement Agreement Binding on Successors. This Settlement Agreement shall be binding upon, and inure to the benefit of Named Plaintiff, Defendant, the Settlement Class Members and their heirs, beneficiaries, executors, administrators, successors, transferees, successors, assigns, or any corporation or any entity with which any party may merge, consolidate or reorganize. The Parties hereto represent, covenant and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

(b) No Signature Required by Eligible Class Members**.** Only the Named Plaintiff will be required to execute this Settlement Agreement. The Settlement Notice will advise all Settlement Class Members of the binding nature of the release and such shall have the same force and effect as if this Settlement Agreement were executed by each Settling Class Member.

16.6 Applicable Law. All terms and conditions of this Settlement Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

16.7 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Settlement Agreement. This Settlement Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting. The Parties agree that the terms and conditions of this Settlement Agreement were negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery and after consultation with experienced legal counsel.

16.8 Headings. The descriptive heading of any section or paragraph of this Settlement Agreement is inserted for convenience of reference only and does not constitute a part of this Settlement Agreement.

16.9 Calendar Days. Unless otherwise noted, all reference to "days" in this Settlement Agreement shall be to calendar days. In the event any date or deadline set forth in this Settlement Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

16.10 Notice. All notices or other communications between the Parties required in connection with this Settlement Agreement shall be in writing and shall be deemed to have been duly given as of the 3rd business day after mailing by U.S. Mail or the same day if sent by email, addressed as follows:

To Plaintiff:

***Ferraro Vega Employment Lawyers, Inc.***
Attn: Nicholas J. Ferraro
Lauren N. Vega
Conor J.D. Gomez
3333 Camino del Rio South, Suite 300
San Diego, CA 92108 USA
settlements@ferrarovega.com
www.ferrarovega.com

To Defendant:

***Procopio, Cory, Hargreaves & Savitch LLP***
*Attn:* Gina Miller
Marina Gruber
*Address* 200 Spectrum Center Drive Suite 1650
*Address* Irvine, CA 92618
*Emails* gina.miller@procopio.com; marina.gruber@procopio.com

16.11 Execution in Counterparts. This Settlement Agreement may be executed using physical and/or electronic signatures (i.e. DocuSign, SignRequest, Adobe Sign, etc.), which shall be accepted as originals for purposes of this Settlement Agreement. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Settlement Agreement.

16.12 Enforcement. The parties agree to expressly stipulate for the Settlement of the Action on the terms set forth in this Settlement Agreement, and hereby agree that Court, upon motion of either party, may enter judgment pursuant to the terms of this Settlement or otherwise enforce a breach of this Settlement. The parties expressly request that the Court retain jurisdiction over the Parties to enforce the Settlement until performance in full of the terms of the settlement, pursuant to Code of Civil Procedure sec. 664.6 and its procedures for enforcement.

Signature ref: 518445a6-82b1-4ecc-8213-e13b00670129

## SIGNATURES

*I have read this Settlement Agreement and agree to its terms.*

***Plaintiff Danny Balvaneda***

Date: 11/09/2026

Danny Balvaneda

Danny Balvaneda

***Defendant PKL Services, Inc.***

Date: _____

_____

Name: Michael G. Naylor

Title: Chief Executive Officer

**SIGNATURES**

*I have read this Settlement Agreement and agree to its terms.*

***Plaintiff Danny Balvaneda***

Date: _____

_____
Danny Balvaneda

***Defendant PKL Services, Inc.***

Date: November 9, 2026

DocuSigned by:
_____
B4BADFFCD1B04CC...

Name: Michael G. Naylor

Title: Chief Executive Officer

# Attachment A

## Notice of Class and PAGA Action Settlement

# NOTICE OF CLASS AND PAGA ACTION SETTLEMENT

*Danny Balvaneda et al. v. PKL Services, Inc. et al.*
Superior Court of the State of California for the County of San Diego
Case No. 25CU056193C

*This notice of settlement is to the following individuals in connection with a pending class and representative PAGA action settlement:*

**All individuals currently or formerly employed by Defendant PKL Services, Inc. in California as hourly, non-exempt employees during the period of March 5, 2021 to September 23, 2026.**

*Read this notice carefully. Your legal rights could be affected whether you act or not.*

The Superior Court of the State of California for the County of San Diego (the "Court") has preliminarily approved this class and representative action lawsuit filed by Danny Balvaneda ("Plaintiff") against PKL Services, Inc. ("Defendant") for alleged wage and hour violations (the "Lawsuit").

The Lawsuit is based on the following legal causes of action: (1) Failure to Pay All Wages Owed; (2) Failure to Pay All Overtime Wages; (3) Rest Period Violations; (4) Untimely Payment of Wages; (5) Wage Statement Violations; (6) Failure to Reimburse Business Expenses; (7) Unfair Competition; (8) Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.). Defendant denies all claims and maintains it has fully complied with the law.

Defendant's records reflect you worked **[[Individual Workweeks]]** workweeks during the Class Period of March 5, 2021 to September 23, 2026. Based on this information, your Individual Class Payment is estimated to be **$[[Individual Class Payment]]** (less any applicable state and federal withholdings). The actual amount you may receive will likely be different and will depend on multiple factors, such as how many other individuals decide to opt out.

Additionally, Defendant's records reflect you worked [Insert Pay Periods] during the PAGA Period of February 7, 2024 to September 23, 2026. Based on this information, your Individual PAGA Payment is estimated to be [$Individual PAGA Payment]. You may not opt out of the PAGA Settlement.

| **YOUR OPTIONS** | |
|---|---|
| **DO NOTHING** | You do not have to do anything in response to this notice. If you do nothing, you will remain eligible to automatically receive an Individual Class Payment if the Court grants final approval of the settlement. In such case, you will be bound by the release provisions in the settlement and release your claims in exchange for compensation. |

| | |
|---|---|
| **OPT OUT** | You may opt out of the class action settlement by submitting a Request for Exclusion form. If you opt out, you may not object to the Settlement, you will not receive an Individual Class Payment, and you shall not be bound by the release provisions in the settlement.<br><br>You may not opt out of the PAGA settlement or seek exclusion from the PAGA settlement and will be bound by the release provisions in the settlement. |
| **OBJECT** | You may object to the class action and/or PAGA settlement by submitting a written objection. If the Court grants final approval of the settlement despite your objection, you will remain eligible to automatically receive an Individual Class Payment if the Court grants final approval of the settlement. In such case, you will be bound by the release provisions in the settlement. |

The Court's final approval hearing is scheduled to take place on **[[Final Approval Hearing Date]]** at **[[Final Approval Hearing Time]]** in Dept. 73 of the San Diego Superior Court, located at 330 W Broadway, San Diego, CA 92101. You do not have to attend but you do have the right to appear. ***For more information, please carefully read this notice.***

## 1. WHAT IS THE ACTION ABOUT?

The Plaintiff is former employee of PKL Services, Inc. The Plaintiff alleged Defendant violated California labor and employment laws as follows: (1) Failure to Pay All Wages Owed; (2) Failure to Pay All Overtime Wages; (3) Rest Period Violations; (4) Untimely Payment of Wages; (5) Wage Statement Violations; (6) Failure to Reimburse Business Expenses; (7) Waiting Time Penalties; (8) Unfair Competition; (9) Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.). Plaintiff is represented by Ferraro Vega Employment Lawyers ("Plaintiff's Counsel.")

Defendant denies each and every material allegation asserted in the Action, denies any liability or wrongdoing of any kind, and denies that Plaintiff or any Class Member or Aggrieved Employee is entitled to any recovery. Defendant contends that it has complied at all times and has made good-faith efforts to comply at all times, with all applicable federal and California wage and hour laws, including the California Labor Code and applicable Industrial Welfare Commission Wage Orders. Defendant asserts that it adopted a comprehensive timekeeping and meal period compliance program many years before Plaintiff initiated the Action, including procedures encouraging employees to report timekeeping and meal period issues and requiring supervisors and payroll employees to correct those issues. Defendant further contends that it maintained lawful payroll, timekeeping, meal period, rest period, wage statement, and expense reimbursement policies and practices throughout the relevant periods and has substantial defenses to the claims asserted in the Action. Nevertheless, in order to avoid the burden, expense, uncertainty, distraction, and disruption associated with continued litigation, and without admitting liability or wrongdoing of any kind, Defendant has agreed to resolve the Action pursuant to the terms of the Settlement Agreement.

## 2. WHAT ARE THE PROPOSED SETTLEMENT TERMS?

At the Final Approval Hearing, the Plaintiff, through Plaintiff's Counsel, will ask the Court to approve a Gross Settlement Amount of $1,575,000 and authorize the following payments from that amount: Service Payment to the Plaintiff ($12,500), Attorneys' Fees in the amount of $525,000.00, representing one third of the Gross Settlement Amount, Litigation Costs (not to exceed $30,000), the LWDA's 65% portion of the PAGA Payment ($13,000), and Administration Expenses (not to exceed $10,000) to be paid to the third-party Administrator.

The Gross Settlement Amount minus the Enhancement Payment, Class Counsel Fees and Costs, LWDA Payment and PAGA payment to Aggrieved Employees, and the Settlement Administration Costs, is referred to as the "**Net Settlement Fund.**" Ninety percent (90%) of the Net Settlement Fund will be allocated to the California Class Settlement ("**Class Settlement Fund**"), and ten percent (10%) of the Net Settlement Fund will be allocated to the State Law Settlement and to the FLSA Settlement ("**Collective Settlement Fund**").

10% of each Individual Class Payment shall constitute taxable wages ("Wage Portion") and 90% shall constitute 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 Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. Class Members and Aggrieved Employees should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

You will be treated as a Participating Class Member, participating fully in the settlement, unless you submit a signed Request for Exclusion by [[Response Deadline]] (the "Response Deadline)."

After the Judgment is final and has fully funded the settlement and separately paid all employer payroll taxes, Participating Class Members and Aggrieved Employees will be legally barred from asserting any of the claims released under the settlement, as follows:

**Release of Class Claims** for any and all claims or causes of action alleged, or that reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Action, including, without limitation, claims for: (1) Failure to Pay all Wages Owed; (2) Failure to Provide Rest Periods; (3) Wage Statement Violations; (4) Failure to Reimburse Necessary Business Expenses; (5) Waiting Time Penalties; and (6) Unfair Competition.

**Release of PAGA Claims** for any and all claims and causes of action for civil penalties that were alleged, or that reasonably could have been alleged, based on the facts stated in the PAGA Notice and/or the Operative Complaint in the Action, including but not limited to: any and all claims and causes of action for civil penalties that were alleged, or that reasonably could have been alleged, based on the facts alleged in the PAGA Notice and/or the Operative Complaint in the Action, including but not limited to claims for: (1) Failure to Pay all Wages Owed; (2) Failure to Provide Rest Periods; (3) Wage Statement Violations; (4) Failure to Reimburse Necessary Business Expenses; (5) Waiting Time Penalties.

### 3. HOW IS MY INDIVIDUAL CLASS PAYMENT CALCULATED?

The number of Class Workweeks you worked during the Class Period are stated on the first page of this Class Notice. The Administrator will calculate your Individual Class Payment by (1) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members, and then (2) multiplying the result by the number of Class Workweeks worked by each respective Participating Class Member. In other words, you will receive a proportional recovery based on your length of employment in relation to other Class Members.

### 4. HOW IS MY INDIVIDUAL PAGA PAYMENT CALCULATED?

The number of Pay Periods you worked during the PAGA Period are stated on the first page of this Class Notice. The Administrator will calculate your Individual PAGA Payment by (1) dividing the Net Settlement Amount by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period, and then (2) multiplying the results by the number of Pay Periods worked by each Aggrieved Employee. In other words, you will receive a proportional recovery based on your length of employment in relation to other Aggrieved Employees.

### 5. HOW CAN I CORRECT THE NUMBER OF CLASS WORKWEEKS AND/OR PAGA PAY PERIODS?

You have until the Response Deadline to correct or challenge the number of Class Workweeks and PAGA Pay Periods. You can submit your challenge by signing and sending a letter to the Administrator via mail or email to the Administrator at the following address:

Administrator:

CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Fax: (949) 419-3446
(833) 816-0845
https://www.cptgroup.com/case-inquiry

The Administrator will accept calculation of Class Workweeks and PAGA Pay Periods 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.

### 6. HOW WILL I GET PAID?

The Administrator will send, by U.S. mail, a single check to every Participating Class Member and Aggrieved Employee following the Effective Date of this Settlement. Your check will be sent to the same address as this notice. If you change your address, notify the Administrator as soon as possible.

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

Complete the attached Request for Exclusion form and mail or email it to the Administrator before the Response Deadline. If you opt-out, you will not receive an Individual Class Payment and you will not be bound by the Class Release. If you opt out of the Class Settlement by submitting a timely Request for Exclusion and are an Aggrieved Employee, you will still receive your Individual PAGA Payment and be bound by the PAGA Release.

## 8. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members and Aggrieved Employees have the right to object to the Settlement by submitting a written objection to the Administrator before the Response Deadline. To object, please provide a written statement to the Administrator advising what you object to, why you object, and any facts that support your objection. Please sign the objection and identify the Action and include your name, current address, telephone number, and your approximate dates of employment.

Alternatively, a Participating Class Member can object (or personally retain a lawyer at your own expense 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.

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

You may, but are not required to, attend the Final Approval Hearing on [[Final Approval Hearing Date]] at [[Final Approval Hearing Time]] in Dept. 73 of the San Diego County Superior Court, located at 330 W Broadway, San Diego, CA 92101. 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 the LWDA, Plaintiff's Counsel, the Plaintiff(s), and the Administrator. The Court will invite comment from objectors, Plaintiff's Counsel, and Defense Counsel before making a decision.

It is possible the Court will reschedule the Final Approval Hearing. Please review the Court's online docket or contact the Administrator or Plaintiff's Counsel to verify the date and time of the Final Approval Hearing if you believe it may have been continued or otherwise changed.

## 10. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything which Plaintiff has promised to do under the proposed Settlement. The easiest way to read the Settlement Agreement, the Judgment, or any other Settlement documents is to go to the following website [[website]]. You can also telephone or send an email to Plaintiff's Counsel at the address below:

Plaintiff's Counsel
Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Conor J.D. Gómez (State Bar No. 337395)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 telephone
settlements@ferrarovega.com
ferrarovega.com

## 11. WHAT IF I LOSE MY SETTLEMENT CHECK OR FAIL TO CASH IT?

If you lose or misplace your settlement check, the Administrator will replace it if you request a replacement before the void date on the face of the original check. If your check is already void or you have otherwise failed to cash it, it will be provided to the State of California's Unclaimed Property Division in your name. For more information, please review how to process a claim for your funds with the State of California, https://www.sco.ca.gov/upd_form_claim.html.

## DO NOT CONTACT THE COURT OR THE COURT CLERK TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

# Attachment B

## Request for Exclusion Form

# Request for Exclusion, Objection, and Workweek and/or PAGA Pay Period Dispute Form

*Danny Balvaneda et al. v. PKL Services, Inc. et al.*
Superior Court of the State of California for the County of San Diego
Case No. 25CU056193C

By signing and returning this form, I confirm that I:

☐ do not want to be included in the Settlement or receive a settlement check in the class action lawsuit referenced above. **I understand that by opting out, I am giving up my right to receive any payments in this Settlement.**

☐ object to the Settlement for the following reason(s):
_____
_____
_____
_____
_____.
Additional pages may be attached along with any documentation or other evidence in support of your objection.

☐ dispute my calculated Class Workweeks or PAGA Pay Periods. I believe my total Class Workweeks should be: _____. I believe my total PAGA Pay Periods should be: _____. I worked for Defendant from _____ to _____. Additional pages may be attached along with any documentation or other evidence in support of your dispute to your calculated number of Class Workweeks and/or PAGA Pay Periods.

For this Request for Exclusion (i.e. request to **NOT** be included in the Settlement if marked above), objection (if marked above), and/or Class Workweek and/or PAGA Pay Period dispute to be valid, this form must be postmarked no later than [[Response Deadline]] and mailed via U.S. Mail, emailed, or faxed to the Administrator below::

CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Fax: (949) 419-3446
(833) 816-0845
https://www.cptgroup.com/case-inquiry

I confirm I have reviewed the Notice of Class and PAGA Action Settlement and I have made this: request to be excluded from the class action settlement, objection to the settlement, and/or

dispute to my Class Workweeks and/or PAGA Pay Periods (as marked above) voluntarily. My decision was fully informed, and I understand the consequences of making such decision.

Dated: _____

_____
*(Signature)*

_____
*(Last Four Digits of SSN)*

_____
*(Type or print name and former name(s))*

_____
*(Telephone Number)*

_____
*(Address)*

# Attachment C

Notice of FLSA Collective Action Settlement

# NOTICE OF FLSA COLLECTIVE SETTLEMENT

***Danny Balvaneda v. PKL Services, Inc., et al.***
Superior Court of the State of California for the County of San Diego, Case No. 25CU056193C

The Court has approved this Notice of FLSA Settlement ("**FLSA Notice"**) regarding the settlement and resolution of the FLSA Released Claims ("**FLSA Settlement**"). This is not a solicitation from a lawyer. You are not being sued. Please read this FLSA Notice carefully as your legal rights may be affected by the FLSA Settlement.

> **If you are a current or former employee of PKL Services, Inc. ("Defendant" or "PKL") who worked in the State of California at any time from June 26, 2022 through September 23, 2026 ("FLSA Collective Period")**

A proposed class and collective action settlement, upon the terms set forth in the Class, Collective, and PAGA Settlement Agreement ("**Settlement**" or "**Settlement Agreement**"), has been reached in the lawsuit pending in the Superior Court of San Diego entitled *Danny Balvaneda vs PKL Services Inc., et al*., Case No. 25CU056193C ("**Action**" or "**Lawsuit**"). The Superior Court of San Diego ("**Court**") has approved this Settlement.

## 1. How do I participate in the FLSA Settlement and receive payment under the FLSA Settlement?

To receive a payment under the FLSA Settlement, you need to "opt-in" to become a Participating FLSA Member.

To become a Participating FLSA Member, you may timely opt-in by signing, cashing, depositing, or otherwise negotiate your FLSA Payment check within twelve months after the date on which the FLSA Payment is issued.

This is explained at Question #6, below.

## 2. Why did I get this Notice of FLSA Settlement, and what is this Lawsuit about?

You received this Notice because PKL's records show that you are a current or former employee of PKL who (1) worked in California at any time from **June 26, 2022 through September 23, 2026** ("FLSA Collective Period"), and because you may be entitled to recover money from this proposed Settlement.

On <insert date of preliminary approval>, the Settlement was approved by the Court in this Lawsuit. The Court approved the following group of FLSA Members:

> All current and former non-exempt hourly employees of Defendant PKL Services, Inc. who worked at any time in California from **June 26, 2022 through September 23, 2026** ("FLSA Collective Period")

The Court in this Lawsuit ordered that this FLSA Notice be mailed to you and all other FLSA Members to notify you of the terms of the proposed FLSA Settlement so that you may make

appropriate decisions and to notify you of your rights to share in the proposed FLSA Settlement in this Lawsuit. This FLSA Notice does not express any opinion by the Court regarding the merits of any claims or defenses asserted by any party in the Lawsuit.

The Lawsuit was originally commenced in the Superior Court of California for the County of San Diego by Danny Balvaneda ("**Plaintiff**"). On August 12, 2026, the First Amended Class,Collective and Representative Action Complaint ("**Operative Complaint**") was filed in the Action.

The Lawsuit is brought by Plaintiff Danny Balvaneda, on behalf of himself and the Settlement Class Members, and alleges, among other things, that PKL Services, Inc. violated the Fair Labor Standards Act (FLSA) by failing to pay all overtime wages owed. Specifically, Plaintiff alleges that PKL Services, Inc. failed to correctly pay regular and overtime wages due to unlawful time-rounding, off-the-clock work, and the failure to include non-discretionary remuneration into the regular rate of pay. Plaintiff further alleges that Defendant failed to provide compliant rest periods, failed to reimburse necessary business expenses (including personal cell phone usage and required work tools), failed to provide accurate itemized wage statements, failed to timely pay all wages due upon separation of employment, and engaged in unfair competition.

The FLSA claims in the lawsuit are brought as a "collective action." In a collective action, one or more persons who are identified as the plaintiffs initiate the action and others who are similarly situated are provided an opportunity to "opt-in" to the action and share in the recovery, if any. The Settlement will resolve these issues for all persons who opt-in to the FLSA Settlement.

PKL denies the allegations and denies that it owes money to Plaintiff or to the FLSA Members for any of the alleged claims. PKL expressly denies any and all charges of wrongdoing or liability arising out of the acts, omissions, facts, matters, transactions, or occurrences alleged, or that could have been alleged, in the Lawsuit. PKL contends that it has complied with applicable state, municipal, and federal laws, statutes, ordinances, regulations, common law, and wage orders. PKL has raised numerous defenses to Plaintiff's claims and those defenses could significantly reduce or even eliminate any liability or damages owed to the FLSA Members.

The parties participated in a mediation with a respected mediator. After significant investigation and research into the facts and circumstances underlying the issues raised in the Lawsuit and with the aid of the mediator, the parties opted to avoid the time, expense, and uncertainty of continued litigation and agreed to settle the Lawsuit, which was approved by the Court, upon the terms set forth in the Settlement Agreement. The Court did not decide in favor of Plaintiff or PKL and there was no trial.

The Settlement Agreement represents a compromise of highly disputed claims. PKL Services, Inc. by settling the Lawsuit, does not admit, concede, or imply any fault, wrongdoing, or liability. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is appropriate. Counsel for Plaintiff and the FLSA Members ("Class Counsel") believe that the proposed Settlement is fair, adequate, and reasonable and in the best interests of the FLSA Members.

### 3. What is the FLSA Settlement, and what will I give up if I participate in the FLSA Settlement?

"**FLSA Settlement**" means the settlement and resolution of the FLSA Released Claims, which will be binding on all Participating FLSA Members.

FLSA Members are eligible to participate in the FLSA Settlement, but to do so, they must "opt-in" and become a Participating FLSA Member (see Question #6 for more information on how to participate in the FLSA Settlement and how to opt-in).

If you opt-in to the FLSA Settlement (i.e., you timely sign, cash, deposit, or otherwise negotiate your FLSA Payment), you will give up your right to make the FLSA Released Claims against the Released Parties.

"**FLSA Released Claims**" means all legal claims pled in the First Amended Class, Collective and Representative Action Complaint arising from the factual allegations in the First Amended Class and Representative Action Complaint during the FLSA Period.

"**Released Parties**" means PKL Services, Inc., and each of their predecessors in interest, successors in interest, parents, subsidiaries, affiliated companies, shareholders, directors, officers, members, managers, employees, attorneys, and agents.

## 4. What are the Settlement terms?

As a part of the Settlement, which includes both a Class Action Settlement (described in a separate Class Action Notice), a PAGA Settlement, and this FLSA Settlement, PKL has agreed to pay the total amount of One Million and Five-Hundred Seventy-Five Thousand Dollars and Zero Cents ($1,575,000.00) ("**Settlement Fund**"). The Settlement Fund is the total and maximum amount PKL will be required to pay under this Settlement Agreement.

The Gross Settlement Amount includes (1) all Settlement Payments to Participating Settlement Class Members, to Aggrieved Employees under PAGA, and to Participating FLSA Members, (2) the amount of up to $12,500 to Plaintiff for his services as the representative of the Settlement Class and FLSA Members ("**Enhancement Payment**"); (3) the amount of up to $525,000 in attorneys' fees and the amount of up to $30,000 in litigation costs and expenses to Class Counsel ("**Class Counsel Fees and Costs**"); (4) reasonable settlement administration costs, up to $10,000 ("**Settlement Administration Costs**"); and (5) $13,000 to the California Labor and Workforce Development Agency for its portion of the PAGA Payment. Defendants' share of applicable payroll taxes will be paid by Defendants separately.

The Gross Settlement Amount minus the Enhancement Payment, Class Counsel Fees and Costs, LWDA Payment and PAGA payment to Aggrieved Employees, and the Settlement Administration Costs, is referred to as the "**Net Settlement Fund.**" Ninety percent (90%) of the Net Settlement Fund will be allocated to the California Class Settlement ("**Class Settlement Fund**") (for which a separate notice has been issued), and ten percent (10%) of the Net Settlement Fund will be allocated to the FLSA Settlement ("**Collective Settlement Fund**").

10% of each Individual Class Payment shall constitute taxable wages ("Wage Portion") and 90% shall constitute 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 Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. Class Members and Aggrieved Employees should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

**5. How much money will I get if I participate in the FLSA Settlement?**

Each FLSA Member will be issued a check for payment of a share of the Net FLSA Amount based on their work weeks, which is any week during the FLSA Period when they were paid overtime wages in the same pay period in which they were also paid cash-in-lieu of benefits (including but not limited to cash payments in lieu of Health and Welfare benefits they were entitled to receive under the Service Contract Act). ("**Work Weeks**"). These settlement payments ("**FLSA Payment(s)**") are to be calculated and distributed as follows:

- The Participating FLSA Members will receive a pro rata share of the FLSA Settlement Fund (representing up to Ten Percent (10%) of the Net Settlement Amount) that is equal to an amount based on Work Weeks calculated as (i) the Work Weeks worked by each Collective Member during the Collective Period based on the Class data provided by Defendant, divided by (ii) the total number of Work Weeks worked by all Participating Collective Members during the Collective Period based on the same Class data, which is then multiplied by the FLSA Settlement Fund.

- The FLSA Payments will be distributed by way of check, and the check will provide the means for each FLSA Member to "opt-in" to the FLSA Settlement and become a Participating FLSA Member.

**According to PKL's records, you worked a total of «MERGED_FLSA_WW» Work Weeks during the FLSA Period. Your gross share of the Net FLSA Amount (i.e., FLSA Payment) is estimated to be approximately $«MERGED_FLSA_EstSettAmnt_CALC».**

**If you believe the number of Work Weeks credited to you above is incorrect, you may submit a written dispute to the Administrator.** All disputes must be postmarked on or before [DATE]. The written dispute must: (a) contain the case name and number of the Action (*Danny Balvaneda v. PKL Services, Inc., et al.*, Case No. Case No. 25CU056193C); (b) contain a clear statement indicating that you wish to dispute the number of Work Weeks credited to you; (c) contain your full name, address, and last four digits of your Social Security Number; (d) be signed by you; (e) attach any supporting documentation that you wish to rely upon; and (e) be mailed to the Administrator (to the address listed below), postmarked on or before [DATE].

*Danny Balvaneda v. PKL Services, Inc., et al.*
CPT Group, Inc.
Telephone: (800) 542-0900
Fax: (949) 419-3446

PKL's records are presumed to be correct, unless a Participating FLSA Member proves otherwise with documentary evidence.

Each Participating FLSA Member's share of the Net FLSA Amount will be allocated as ten percent (10%) wages for which IRS Form W-2 will be issued; and ninety percent (90%) as penalties,

interest, and non-wage damages for which IRS Form 1099 will be issued. Each Participating FLSA Member's share of the Net FLSA Amount will be paid subject to reduction for all employees' share of taxes and withholding with respect to the wages portion. IRS Forms W-2 and 1099 will be distributed to Participating FLSA Members and the appropriate taxing authorities reflecting the payments they receive under the FLSA Settlement. Participating FLSA Members should consult their tax advisors concerning the tax consequences of the payments they receive under the FLSA Settlement. Neither Defendant, Defendant's counsel, nor Class Counsel make any representations regarding the tax implications of any amounts paid under this Settlement Agreement and that if any FLSA Member has any questions regarding those implications, they should consult a tax expert.

**6. How do I participate in the FLSA Settlement and get a payment for the release of the FLSA Released Claims?**

To participate in and receive payment from the FLSA Settlement, **you must timely sign, cash, deposit, or otherwise negotiate your FLSA Payment check within twelve (12) months after the date on which the FLSA Payment is issued**.

By doing so, you will be deemed to have consented to join the Action under the FLSA and opted-in on a collective basis with respect to the FLSA Released Claims, and will be bound to the FLSA Settlement and any judgment entered by the Court based thereon, and thereby forever release and discharge the FLSA Released Claims.

Your FLSA Payment Check will contain the following notice that informs you of your election to opt-in to the FLSA Settlement:

> By endorsing this check, I hereby consent to join the lawsuit entitled *Danny Balvaneda v. PKL Services, Inc., et al*., Superior Court of California for the County of San Diego, Case No. 25CU056193C, pursuant to the provisions of the Fair Labor Standards Act ("FLSA"), 29 USC Section 216(b), for purposes of participating in the settlement. I further understand and agree that my signing, cashing, depositing, or otherwise negotiating this check constitutes a full and complete release of any and all FLSA Claims I may have based on the factual allegations of the above-entitled action. I agree that a copy of this check reflects my consent to join this action and may be filed with the Court, with personal information other than my name redacted, as evidence of my consent.

If you do not timely opt-in to the FLSA Settlement by signing, cashing, depositing, or otherwise negotiating your FLSA Payment check within twelve (12) months after the date on which the FLSA Payment is issued, you will not be subject to the release of the FLSA Released Claims. The only way for you to retain your rights to sue the Released Parties for the FLSA Released Claims in this case is to **NOT** to sign, cash, deposit, or otherwise negotiate your FLSA Payment check.

**7. How and when will I get a payment?**

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the related Class, Collective and PAGASettlement will be held on <insert date of final approval hearing>. You are not required to attend the hearing. If the related Class, Collective and PAGASettlement is finally approved by the Court, and there are no appeals of that approval, the FLSA Payment will be sent to the address where you received this Notice. If after the Court grants approval of the related Class Action Settlement, an appeal or other challenge to the approval is filed, you will not be sent your payment until that appeal or challenge is concluded and the Court's approval of the related Class, Collective and PAGA Settlement is upheld.

If you would like to change the address where your payment will be mailed, please contact the Administrator whose name and address are listed in connection with Question #5, above. IT IS YOUR RESPONSIBILITY TO KEEP AN UPDATED ADDRESS ON FILE WITH THE SETTLEMENT ADMINISTRATOR.

If you have questions with regard to when the checks will be mailed, please contact the Settlement Administrator.

## 8. Do I have a lawyer in this case?

The lawyers that have been appointed to serve as counsel in the Lawsuit:

**Ferraro Vega Employment Lawyers, Inc.**
Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Conor J.D. Gómez (State Bar No. 337395)
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 telephone
settlements@ferrarovega.com
ferrarovega.com

All inquiries by FLSA Members regarding this FLSA Notice and/or the Settlement should be directed to the Settlement Administrator.

## 9. Who are the lawyers representing PKL?

The following lawyers represent PKL in this case:

**Procopio, Cory, Hargreaves & Savitch LLP**
Gina Miller, Esq.

Marina Gruber, Esq.
200 Spectrum Center Drive, Suite 1650
Irvine, CA 92618
Phone: (949) 247-7300/ Fax: (619) 744-5436

## 10. How do I get more information?

This FLSA Notice provides only a summary of the most pertinent terms of Settlement. For a more detailed statement of the matters involved in the case and the Settlement, you may refer to the pleadings, the Settlement Agreement, and other papers filed in the Action. You may view these documents by visiting the following courthouse location which is also where filings with the Court by non-attorneys may be undertaken:

Superior Court of San Diego
Office of the Clerk
330 W Broadway, San Diego, CA 92101

All inquiries by FLSA Members regarding this FLSA Notice and/or the Settlement should be directed to the Settlement Administrator (see contact information listed in connection with Question #5).

**PLEASE DO NOT CONTACT THE COURT, CLERK OF THE COURT, JUDGE, PKL, OR PKL'S ATTORNEYS WITH INQUIRIES.**