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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO
RANCHO CUCAMONGA DISTRICT

RENE C. SALVADOR, individually, and
on behalf of all others similarly situated,

Plaintiffs,

v.

CIUTI INTERNATIONAL, INC., a
California corporation; and DOES 1
through 50, inclusive,

Defendants.

CASE NO.: CIVRS2400545

[Assigned for all purposes to the
Honorable Gilbert Ochoa, Dept. R-14]

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE**

Action Filed: October 4, 2024
Trial Date: None Set

1 This Class Action and PAGA Settlement and Release ("Settlement Agreement") is entered
2 into by and between Plaintiff Rene C. Salvador ("Plaintiff"), on behalf of himself and the Class and
3 aggrieved employees, on the one hand, and Defendant Ciuti International, Inc. ("Defendant"), and the
4 Released Parties, on the other hand. Plaintiff and Defendant are collectively referred to herein as
5 "Parties" and individually referred to herein as "Party."

6 In consideration of the mutual covenants, promises, and agreements set forth herein, the Parties
7 agree that, pursuant to the terms and conditions set forth herein, which are subject to approval of the
8 Court, this Action and the Released Claims shall be settled and compromised as between Plaintiff and
9 the Class on the one hand and Defendant on the other hand.

10 DEFINITIONS

11 1. "Action" means *Rene C. Salvador v. Ciuti International, Inc.*, San Bernardino Superior
12 Court, Case No.: CIVRS2400545.

13 2. "Class" means: All non-exempt, hourly employees not bound by an agreement to
14 arbitrate disputes who were employed and worked for Defendant, in the State of California, at any
15 time from August 12, 2020, through October 10, 2025.

16 3. "Class Counsel" means The Wheeler Law Firm, APC.

17 4. "Class Counsel Award" means attorneys' fees for Class Counsel's litigation and
18 resolution of this Action and Class Counsel's expenses and costs incurred in connection with this
19 Action.

20 5. "Class and PAGA Information" means information regarding Class and PAGA
21 Members that Defendant will in good faith compile from their records and provide to the Settlement
22 Administrator. It shall be formatted as a Microsoft Excel spreadsheet or Microsoft Word Document
23 and shall include: each Class Member's full name; social security number; last known address; last
24 known telephone number; and number of Compensable Workweeks and Compensable PAGA Pay
25 Periods. To protect Class Members' and PAGA Members' privacy, the Settlement Administrator must
26 maintain the Class and PAGA Information in confidence, use the Class and PAGA Information only
27 for purposes of this Settlement, and restrict access to the Class and PAGA Information to Settlement
28

1 Administrator employees who need access to the Class and PAGA Information to effect and perform
2 under this Agreement.

3 6. "Class Member" means each person who is a member of the Class defined above and
4 who is eligible to participate in this Settlement.

5 7. "Class Period" means the time period from August 12, 2020, through October 10,
6 2025.

7 8. "Class Representative Service Award" means the amount that the Court authorizes to
8 be paid individually to Plaintiff in recognition of, *inter alia*, Plaintiff's efforts and risks in assisting
9 with the prosecution of the Action and in return for executing a general release with Defendant.

10 9. "Compensable Workweeks" means a reasonable estimate of pay periods worked by
11 each Class Member individually and collectively by all Class Members during the Class Period
12 based on Defendant's records and used as a value to calculate Individual Settlement Payments. The
13 number of Compensable Workweeks for each Class Member will be determined by adding all the
14 calendar days worked within the inclusive dates of employment for the employee and dividing that
15 number by seven. Any partial workweek will be expressed as a percentage of a full workweek.

16 10. "Compensable PAGA Pay Period" or "Compensable PAGA Pay Periods" means a
17 reasonable estimate of pay periods worked by each PAGA Member during the period from August
18 12, 2023, through October 10, 2025, based on Defendant's records and used as a value to calculate
19 PAGA Payments. The number of Compensable PAGA Pay Periods for each PAGA Member will be
20 determined by adding all the calendar days worked within the inclusive dates of employment for the
21 employee and dividing that number by fourteen. Any partial pay period will be expressed as a
22 percentage of a full pay period.

23 11. "Court" means the Superior Court for the State of California, County of San
24 Bernardino, Rancho Cucamonga District.

25 12. "Defendant" means Ciuti International, Inc.

26 13. "Effective Date" means the date the Court files an order and judgment granting final
27 approval and files a Final Judgment as well as making the executed order and judgment available to
28 the Parties, if no objections are filed to the Settlement. If objections are filed and overruled, and no

1 appeal is taken of the final approval order, then the Effective Date will be sixty-five (65) calendar
2 days after the trial court enters a Final Judgment and makes the Final Judgment available to the
3 Parties. If an appeal is taken from the Court's overruling of objections to the Settlement, then the
4 effective date of will be twenty (20) calendar days after the appeal is withdrawn or after an appellate
5 decision affirming the Final Judgment becomes final.

6 14. "Final Approval Order and Judgment" means an order and judgment that the Court
7 will file which finally approves this Settlement and enters a judgment in favor of Plaintiff.

8 15. "Gross Settlement Amount" means the maximum amount which Defendant is
9 obligated to pay under this Settlement Agreement, which is Two Hundred and Eighty Thousand
10 Dollars and Zero Cents (\$280,00.00). This is an "all in" non-reversionary Settlement in which
11 Defendant are required to pay the entire Gross Settlement Amount. No portion of the Gross
12 Settlement Amount will revert to Defendant under any circumstances. Payments of any appropriate
13 and lawfully-required employer's share of the payroll taxes on the taxable portion of the settlement
14 payments shall be paid separately from the Gross Settlement Amount by Defendant at the time the
15 Gross Settlement Amount is funded.

16 16. "Individual Class Settlement Payment" means the amount payable from the Net
17 Settlement Amount to each Settlement Class Member.

18 17. "Individual PAGA Payment" means the PAGA Members' pro rata share of the
19 PAGA Members' share of the PAGA Payment calculated according to the number of Compensable
20 PAGA Pay Periods. The Individual PAGA Payments are not subject to wage withholdings and
21 will be reported on IRS 1099 Forms. PAGA Members assume full responsibility and liability for
22 any individual taxes owed on their Individual PAGA Payment.

23 18. "LWDA" means the California Labor and Workforce Development Agency.

24 19. "Net Settlement Amount" means the Gross Settlement Amount, less the Class
25 Counsel Award, Class Representative Service Award, PAGA Payment, and Settlement
26 Administration Costs.

27 20. "Notice of Class and PAGA Settlement" means the notice, substantially in the form
28 attached hereto as **Exhibit 1**, which the Settlement Administrator will mail to each Class and PAGA

Member, and which explains, *inter alia*, the terms of this Settlement Agreement, the settlement process, and each Class Member's estimated Individual Settlement Payment. Notice of Class Settlement will be provided to the Class in English and Spanish.

21. "Objection" means a letter or other written communication submitted by a Class Member to the Settlement Administrator that contains a clear statement by the Class Member that he or she is objecting to any of the terms of the Settlement.

22. "PAGA Member" or "PAGA Members" means any non-exempt, hourly employee who was employed and worked for Defendant at any time during the time period of August 12, 2023, through October 10, 2025.

23. "Parties" means Plaintiff and Defendant, collectively, and "Party" means either Plaintiff or Defendant, individually.

24. "Class Payment Ratio" means the respective Compensable Workweeks for Class Member divided by the total Compensable Workweeks for all Class Members.

25. "PAGA Payment Ratio" means the respective Compensable PAGA Pay Periods for each PAGA Member divided by the total Compensable PAGA Pay Periods for all PAGA Members.

26. "PAGA Period" means the time period from August 12, 2023, through October 10, 2025.

27. "Plaintiff" refers to Rene C. Salvador.

28. "Preliminary Approval Date" means the date upon which the Court files an order granting preliminary approval of the Settlement.

"Request for Exclusion" means a letter or other written communication submitted by a Class Member to the Settlement Administrator that contains a clear statement by the Class Member that he or she is electing to be excluded from the Settlement.

29. "Released Claims by Plaintiff" is set forth in paragraph 46 below. Plaintiff releases the "Released Claims by Plaintiff" as of the date Defendant fully funds this Settlement.

"Released Claims by Settlement Class Members" means: As of the Effective Date, Settlement Class Members shall fully and finally release and discharge Released Parties, from August 12, 2020, through October 14, 2025, in exchange for the consideration provided under this Settlement, from

1 any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys'
2 fees, damages, action or causes of action for: (1) failure to provide meal periods pursuant to Labor
3 Code Sections 226.7, 510, 512, 1194, 1197 and Industrial Welfare Orders 5-2001, 7-2001, and 16-
4 2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Sections 226.7, 512 and
5 Industrial Welfare Orders 5-2001 and 16-2001, Section 12; (3) failure to pay overtime wages
6 pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Orders 5-2001, 7-2001 and 16-
7 2001, Section 3; (4) failure to pay minimum wages pursuant to Labor Code Sections 1194, 1197 and
8 Industrial Welfare Orders 5-2001, and 16-2001, Section 4; (5) failure to pay timely wages in
9 violation of Labor Code Sections 204 and 210; (6) failure to pay all wages owed and due at
10 termination of employment in violation of Labor Code Sections 201, 202 and 203; (7) failure to
11 provide accurate itemized wage statements in violation of Labor Code Sections 226, 246, 248.1,
12 248.2, 248.6, and Industrial Welfare Orders 5-2001 and 16-2001, Section 7; (8) failure to maintain
13 required records in violation of Labor Code Sections 226, 1174, and Industrial Welfare Orders 5-
14 2001 and 16-2001, Section 7; (9) failure to indemnify for necessary business expenditures incurred
15 in the discharge of duties, in violation of Labor Code Section 2802; (10) failure to provide sick leave
16 and supplemental COVID-19 sick leave, in violation of Labor Code Sections 246, 247.5, 248.1,
17 248.2 and 248.6; (11) violation of the California Unfair Competition Law in violation of Business
18 and Professions Code Section 17200 et. seq.; and (12) and violation of the California Private
19 Attorneys' General Act ("PAGA"), Labor Code Sections 2698, 2699 and 2699.5, predicated on the
20 violations of the California Labor Code and IWC Wage Orders 5-2001 and 16-2001, as alleged in
21 the Operative Complaint and the LWDA Notice dated February 5, 2025. This release shall apply to
22 all claims arising at any point during the Class Period.

23 30. "Released Parties" collectively mean Defendant and any past, present or future
24 parent, subsidiary, affiliate, predecessor or successor, and all agents, employees, owners,
25 shareholders, insurers, reinsurers, assigns, officers, directors and attorneys thereof.

26 31. "Released of Settled PAGA Claims" means: As of the Effective date, PAGA
27 Members and the LWDA shall fully and finally release and discharge Released Parties, from August
28 12, 2023, through October 10, 2025, in exchange for the consideration provided under this

1 Settlement, for the PAGA claims alleged in and/or arising out of the facts alleged in the First
2 Amended Complaint and the LWDA Notice dated February 5, 2025, including, without limitation
3 penalties predicated on the underlying alleged violations for: (1) meal period violations pursuant to
4 California Labor Code section 226.7, 512, 558, 2103 and Industrial Welfare Orders 7-2001, Section
5 11; (2) rest period violations pursuant to California Labor Code sections 226.7, 512, and Industrial
6 Welfare Orders 7-2001, Section 12; (3) recovery period violations pursuant to California Labor
7 Code section 226.7 and California Code of Regulations, Title 8, Section 3395; (4) failure to pay
8 overtime wages pursuant to California Labor Code section 510, 1194, 1198, Industrial Welfare
9 Orders 7-2001, Section 3; (5) failure to pay minimum wages pursuant to California Labor Code
10 sections 1174, 1194, 1197, 1197.1, and Industrial Welfare Orders 7-2001, Section 4; (6) failure to
11 pay all wages upon discharge or termination pursuant to California Labor Code section 201, 202,
12 and 203; (7) failure to maintain required records pursuant to California Labor Code sections 226,
13 247.5, 1174, and Industrial Wage Order No. 72001 section 7; (8) failure to provide accurate
14 itemized wage statements pursuant to California Labor Code section 226 and Industrial Welfare
15 Orders 7-2001 section 7; and (9) failure to reimburse for necessary business expenses pursuant to
16 California Labor code sections 2800 and 2802.

17 32. "Response Deadline" means forty-five (45) days after the postmark date of the
18 Notice of Class Settlement that the Settlement Administrator shall mail to Class Members, and the
19 last date on which Class Members may: (a) submit a Request for Exclusion; or (b) submit an
20 Objection to the Settlement.

21 33. "Settled PAGA Claims", means the release of all claims for civil penalties only under
22 PAGA that Plaintiff, on behalf of the State of California, predicated on the facts alleged in
23 Plaintiff's Operative Complaint and PAGA Notice dated February 5, 2025, during the period from
24 August 12, 2023, through October 10, 2025.

25 34. "Settlement" means the disposition of the Action pursuant to this Agreement.

26 35. "Settlement Administration Costs" means the amount to be paid to the Settlement
27 Administrator from the Gross Settlement Amount for administration of this Settlement.
28

36. “Settlement Administrator” means ILYM Group, Inc. (“ILYM”), the Settlement Administrator shall be responsible for, *inter alia*: (a) performing Spanish translations of the Notice of Class Settlement; printing and mailing the Notice of Class Settlement to the Class in English and Spanish; (b) receiving and reporting the Requests for Exclusion and Objections submitted by Class Members; (c) providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; (d) processing and mailing payments to Plaintiff’s, Class Counsel, the LWDA, and Settlement Class Members; and (e) any other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities. The Parties agree that they have no financial interest or other relationship with ILYM that could create a conflict of interest. Should a conflict of interest or other issue lead to the disqualification of the selected Settlement Administrator, the Parties will meet and confer as to a suitable replacement.

37. “Settlement Class” or “Settlement Class Members” means all Class Members who have not opted out of the Class by submitting a valid and timely Request for Exclusion.

RECITALS

38. Procedural History. On August 12, 2024, Plaintiff filed a putative class action complaint against Defendant in Superior Court of the State of California, County of San Bernardino, Case Number: CIVRS2400545. Defendant filed an answer in response to Plaintiff's complaint. Pursuant to Stipulation between the Parties, Plaintiff filed a First Amended Complaint which included a representative action pursuant to the Private Attorneys General Act ("PAGA"). Defendant's answer is held in abeyance pending court approval of this settlement.

39. Investigation and Discovery. The Parties have conducted significant investigation of the facts and law during the prosecution of this Action and before this Settlement was reached. Such discovery and investigation included, *inter alia*, the exchange of information and extensive documents pertaining to Plaintiff, the Class, and PAGA Members and numerous meetings and informal conferences wherein the Parties exchanged information, class and PAGA data, and theories of the case. Plaintiff has also investigated the law as applied to the facts of Plaintiff's claims and Defendant's potential defenses thereto.

1 40. Mediation. The Parties initially participated in a mediation session with the highly
2 experienced mediator, Steve Rottman, Esq., on July 10, 2025. After a full day of mediation, the
3 Parties were able to reach a proposed settlement regarding the material terms for a proposed class
4 action and PAGA settlement that would fully resolve this matter.

5 41. Benefits of Settlement to Class and PAGA Members. Plaintiff and Class Counsel
6 recognize the expense and length of continued proceedings necessary to litigate Plaintiff's claims
7 through trial and any possible appeals. Plaintiff has also taken into account the uncertainty and risk
8 of the outcome of further litigation, and the difficulties and delays inherent in such litigation.
9 Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for
10 the claims asserted in the Action, both generally and in response to Defendant's defenses thereto,
11 and the difficulties in establishing damages for the Class and civil penalties for the PAGA Members.
12 Plaintiff and Class Counsel have also taken into account Defendant's agreement to enter into a
13 settlement that confers substantial relief upon the members of the Class. Based on the foregoing,
14 Plaintiff and Class Counsel have determined that the Settlement set forth in this Settlement
15 Agreement is a fair, adequate, and a reasonable settlement, and is in the best interests of the Class
16 and PAGA Members.

17 42. Defendant's Reasons for Settlement. Defendant has concluded that any further
18 defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of
19 Defendant's time, energy, and resources have been and, unless this Settlement is completed, will
20 continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken
21 into account the risks of further litigation in reaching its decision to enter into this Settlement. Even
22 though Defendant continues to contend that it is not liable for any of the claims alleged by Plaintiff
23 in this Action, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set
24 forth in this Settlement Agreement to put to rest the claims in this Action.

25 **STIPULATION AND AGREEMENT**

26 43. NOW THEREFORE, in consideration of the mutual covenants, promises, and
27 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:
28

1 44. It is agreed by and among Plaintiff and Defendant that this Settlement shall bind the
2 Plaintiff, Settlement Class Members, and Defendant, subject to the terms and conditions hereof.

3 45. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
4 the “acknowledging party” and each Party to this Agreement other than the acknowledging party, an
5 “other party”) acknowledges and agrees that (1) no provision of this Agreement, and no written
6 communication or disclosure between or among the Parties or their attorneys and other advisers, is
7 or was intended to be, nor shall any such communication or disclosure constitute or be construed or
8 be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230
9 (31 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her,
10 or its own, independent legal and tax counsel for advice (including tax advice) in connection with
11 this Agreement, (b) has not entered into this Agreement based upon the recommendation of any
12 other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
13 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty
14 that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party
15 has imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax
16 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
17 acknowledging party of the tax treatment or tax structure of any transaction, including any
18 transaction contemplated by this Agreement.

19 46. Released Claims by Plaintiff. As of the date Defendant fully fund the Settlement,
20 Plaintiff agrees to the Release of Claims by Settlement Class Members. In addition to Release of
21 Claims by Settlement Class Members and as a material inducement to Defendant to enter into this
22 Settlement Agreement, Plaintiff does hereby, for herself and for her spouse, heirs, successors,
23 beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians,
24 personal representatives, and assign, forever and completely release and discharge the Released
25 Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements,
26 controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and
27 expenses (including back wages, statutory penalties, civil penalties, liquidated damages, exemplary
28 damages, interest, attorneys’ fees, and costs) of any nature whatsoever, from the beginning of time

1 through the execution of this Settlement Agreement, whether known or unknown, suspected or
2 unsuspected, including but not limited to all claims arising out of, based upon, or relating to
3 Plaintiff's employment with or work for Defendant or the remuneration for or termination of such
4 employment.

5 Without limiting the generality of the foregoing, Plaintiff expressly releases all claims arising
6 under the California Labor Code (including, but not limited to, Sections 200, 201, 201.3, 202, 203,
7 204, 210, 216, 218.5, 218.6, 221, 225, 225.5, 226, 226.3, 226.7, 227.3, 246, 247.5, 248.1, 248.2, 248.6,
8 351, 432, 450, 510, 511, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 1198.5,
9 1199, 1400, 1775, 2698 et seq., 2699, 2802; the Wage Orders of the California Industrial Welfare
10 Commission, including IWC Wage Orders 5-2001, and 16-2001; the California Private Attorneys
11 General Act of 2004 ("PAGA"); California Business and Professions Code section 17200 et seq.; the
12 California Civil Code, to include, but not limited to, section 3336 and 3294; the California common
13 law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; federal common law; and the
14 Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. Plaintiff's Released Claims
15 also include all claims for lost wages and benefits, emotional distress, retaliation, punitive damages,
16 and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment,
17 and wrongful termination such as by way of example only, (as amended) 42 U.S.C. section 1981, Title
18 VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in
19 Employment Act, and the California Fair Employment and Housing Act; and the law of contract and
20 tort. This release excludes the release of claims not permitted by law. As to the Plaintiff's Released
21 Claims only, Plaintiff expressly waives all rights and benefits under the terms of section 1542 of
22 the California Civil Code. Section 1542 reads as follows:

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

26 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and
27 complete release and discharge of all parties, Plaintiff and Class Counsel expressly acknowledge that
28 this Settlement Agreement is intended to include in its effect, without limitation, all claims that

1 Plaintiff knew of, as well as all claims that Plaintiff did not know or suspect to exist in Plaintiff's favor
2 against the Released Parties, or any of them, for the time period from the beginning of time to the
3 execution of this Settlement Agreement, and that this Settlement Agreement contemplates the
4 extinguishment of any such claims. Plaintiff and Plaintiff's Counsel do not currently intend to
5 pursue any claims against Defendant, including, but not limited to, any and all claims relating to
6 or arising from Plaintiff's employment with Defendant, and that Plaintiff's Counsel is not
7 currently aware of any facts or legal theories upon which any claims or causes of action could be
8 brought against Defendant, excepting those facts or legal theories alleged in the Operative
9 Complaint in this Action. This release does not include claims which cannot be released by
10 California law such as unemployment or Worker's Compensation benefits.

11 47. Class Certification. For settlement purposes only, Defendant will stipulate that the
12 Settlement Class Members described herein who do not request exclusion from the Settlement Class
13 may be conditionally certified as a settlement class. This stipulation to certification is in no way an
14 admission that class action certification is proper and shall not be admissible in this or in any other
15 action except for the sole purposes of enforcing this Agreement. Should the Court fail to issue Final
16 Approval for any reason, the Parties' stipulation to class certification as part of the Settlement
17 Agreement shall become null and void *ab initio* and shall have no bearing on but remains protected
18 by California Evidence Code Section 1152 and shall not be admissible in connection with, the issue
19 of whether or not certification would be appropriate in a non-settlement context. Defendant
20 expressly reserve its rights and declare that Defendant's will continue to oppose class certification
21 and contest the substantive merits of the case should the Court fail to issue Final Approval. Plaintiff
22 expressly reserves her rights and declares that she will continue to pursue class certification and a
23 trial should the Court fail to grant Final Approval.

24 48. Approval of Settlement. Plaintiff will move the Court to grant preliminary and final
25 approval of this class action Settlement. The Parties agree to work diligently and cooperatively to
26 have this matter presented to the Court for preliminary and final approval.

27 49. Release of Claims by Class Members. Settlement Class Members release the
28 "Released Claims by Settlement Class Members," as defined, as of the Effective Date.

1 50. Release of Settled PAGA Claims. Plaintiff, on behalf of the State of California and
2 LWDA, release the “Settled PAGA Claims,” as defined, as of the Effective Date.

3 51. Settlement Administration. Within fifteen (15) court days after the Preliminary
4 Approval Date, Defendant shall provide the Settlement Administrator with the Class and PAGA
5 Information.

6 52. Notice to the Class. Upon receipt of the Class and PAGA Information, the
7 Settlement Administrator will perform a search based on the National Change of Address Database
8 to update and correct any known or identifiable address changes. Within ten (10) calendar days after
9 receiving the Class and PAGA Information, the Settlement Administrator shall mail copies of the
10 Notice of Class Settlement to all Class Members via regular First Class U.S. Mail. The Settlement
11 Administrator shall exercise its best judgment to determine the current mailing address for each
12 Class Member. The address identified by the Settlement Administrator as the current mailing
13 address shall be presumed to be the best mailing address for each Class Member.

14 a. Undeliverable Notices. Any Notice of Class Settlement returned to the
15 Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to
16 the forwarding address affixed thereto within ten (10) calendar days. For any undeliverable Notice of
17 Class Settlement returned for which no forwarding address is affixed, the Settlement Administrator
18 will conduct its investigation for an updated address of the Class Member and re-mail the Notice of
19 Class Action Settlement. If an updated address is found, the Settlement Administrator shall have
20 seven (7) days to re-mail the Notice of Class Action Settlement from receipt of the undelivered
21 envelope. The Settlement Administrator will provide a cover letter notifying the Class Member of the
22 extended Response Deadline. Any Class Member who receives a re-mailed Notice of Class Settlement
23 shall have forty-five (45) days after the postmark date of the re-mailed Notice of Class Settlement to:
24 (a) submit a Request for Exclusion; or (b) submit an Objection to the Settlement.

25 (1) Verification of Class Member Employment Status. If Notice of Class
26 Action Settlement sent to a Class Member is determined to be
27 undeliverable, the Settlement Administrator shall verify the
28 employment status of the Class Member with Defendant within five

(5) days of receipt of the undeliverable Notice of Class Action Settlement. If the Class Member is a current employee of Defendant, Defendant shall take all reasonable efforts to obtain the current address from the Class Member and shall provide the same with seven (7) days of notice from the Settlement Administrator.

b. Disputes Regarding Individual Settlement Payments. Class Members will have the opportunity, should they disagree with Defendant's records regarding the number of Compensable Workweeks attributed to them in the Class Notice, to provide documentation and/or an explanation to show contrary information by the Response Deadline. The dispute form must: (a) contain the full name, address, and telephone number of the Class Member, and the last four digits of the Class Member's social security number or full employee ID number; (b) contain the case name and case number; (c) contain a clear statement by the Class Member that he or she is disputing the number of Compensable Workweeks and the basis for the dispute; (d) be signed by the Class Member; and (e) be postmarked or e-mailed by the Response Deadline. The date of the postmark on the return mailing envelope on the dispute form, or the date the e-mail is sent, shall be the exclusive means used to determine whether it has been timely submitted. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall then determine the eligibility for, and the amounts of, any Individual Class Payments and/or Individual PAGA Payments under the terms of this Agreement. In the absence of circumstances indicating fraud, manipulation or destruction, Defendant's records shall be presumed to be accurate. The Court has final say regarding the validity and final decision regarding any Workweek disputes.

c. Request for Exclusion. Class Members who wish to exclude themselves from the Settlement must mail or email to the Settlement Administrator a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (a) contain the full name, address, and telephone number of the Class Member, and the last four digits of the Class Member's social security number; (b) contain the case name and case number; (c) contain a clear statement by the Class Member that he or she is electing to be excluded from the Settlement; (d) be signed by the Class Member; and (e) be

1 postmarked or e-mailed by the Response Deadline. The date of the postmark on the return mailing
2 envelope on the Request for Exclusion, or the date the e-mail is sent, shall be the exclusive means
3 used to determine whether it has been timely submitted. Any Class Member who requests to be
4 excluded from the Settlement Class shall not be entitled to any Individual Class Payment, shall not
5 release any of the Released Claims by Settlement Class Members, and shall not have any right to
6 object, appeal or comment thereon. Class Members who fail to submit a valid and timely Request for
7 Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and any
8 Final Approval Order and Judgment entered in this Action. Any Class Member who submits a valid
9 and timely Request for Exclusion cannot opt-out of PAGA portion of this Settlement and will still
10 receive their share of the PAGA portion of this Settlement and be bound by the PAGA release. The
11 Court has final say regarding the validity and authenticity of any Requests for Exclusion.

12 d. Objections. Class Members who wish to object to the Settlement can either
13 mail or email the Settlement Administrator a written Objection by the Response Deadline. The
14 Objection should: (a) contain the full name, address, and telephone number of the Class Member,
15 and the last four digits of the Class Member's social security number; (b) contain the case name and
16 case number; (c) the dates of employment of the Class Member; (d) be signed by the Class Member;
17 (e) state the basis for the Objection, including any legal briefs, papers or memoranda in support of
18 the Objection; and (f) be postmarked by the Response Deadline. The date of the postmark on the
19 return mailing envelope on the Objection, or the date the email was sent, shall be the exclusive
20 means used to determine whether the Objection has been timely submitted. At no time shall any of
21 the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit
22 Objections to the Settlement or appeal from the Final Approval Order and Judgment. Class Counsel
23 shall not represent any Class Members with respect to any such Objections. The Settlement
24 Administrator will provide the Parties with any Objection within five (5) calendar days of receipt of
25 the Objection. Plaintiff will file any and all Objections with the Court in advance of the Final
26 Approval Hearing. Oral or written Objections may also be made at the Final Approval hearing
27 without a written objection or notice of intent to appear being submitted. If the Court rejects the
28 objection, the individual will be bound by the terms of the Settlement.

1 e. If greater than fifteen (15) percent of the Class Members opt out or object to
2 this Settlement Agreement or a number of Class Members whose share of the Net Settlement Amount
3 is 15% or more, Defendant will have the right to rescind and terminate the Settlement without
4 prejudice to its pre-settlement positions and defenses in the litigation. In such a case, the Parties and
5 any funds to be awarded shall be returned to their respective statuses as of the date and time
6 immediately prior to the execution of this Agreement.

7 f. Except for those Settlement Class Members who exclude themselves in
8 compliance with the Request for Exclusion procedures set forth above, all Settlement Class Members
9 will: (i) be deemed to be Participating Class Members for all purposes under this Settlement
10 Agreement; (ii) will be bound by the terms and conditions of this Settlement Agreement, the
11 Judgment, and the releases set forth herein; and (iii) except as otherwise provided herein, will be
12 deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy
13 of the Settlement.

14 53. Funding Gross Settlement Amount. After the Effective Date, Defendant agrees to
15 pay a sum equal to \$280,000 (the "Gross Settlement Amount") to fund the settlement of this action
16 within thirty (30) calendar days. The Settlement is "all-in", non-reversionary and no funds will
17 return to Defendant. Payments of any appropriate and lawfully-required employer share of the
18 payroll taxes on the taxable portion of the settlement payments shall be paid by Defendant
19 separately from and in addition to the Gross Settlement Amount.

20 54. Allocation of Settlement. Individual Class Settlement Payments will be paid from
21 the Net Settlement Amount and shall be paid pursuant to the settlement formula set forth herein.
22 Individual Class Settlement Payments and the Individual PAGA Payments shall be mailed by
23 regular First Class U.S. Mail to Settlement Class Members' and/or PAGA Members' last known
24 mailing address.

25 a. The Settlement Administrator shall calculate the total Compensable
26 Workweeks and Compensable PAGA Pay Periods for all Settlement Class Members and/or PAGA
27 Members based on the Class and PAGA Information provided by Defendant. The respective
28 Compensable Workweeks for each Settlement Class Member will be divided by the total

1 Compensable Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each
2 Settlement Class Member; a similar calculation will apply to determining the Payment Ratio for
3 Compensable PAGA Pay Periods.

4 b. Individual Class Settlement Payments due to each Settlement Class Member
5 shall be designated as follows:

6 1. Thirty-five percent (35%) of the Individual Class Settlement Payment
7 shall represent payment for alleged unpaid wages. This payment shall be subject to the withholding
8 of all applicable local, state, and federal taxes. Applicable payroll taxes and/or contributions will be
9 deducted from the amount paid to Settlement Class Members. The Settlement Administrator will
10 issue a W-2 Form to each Settlement Class Member in relation to this payment.

11 2. Fifty-five percent (55%) of the Individual Class Settlement Payment
12 shall represent payment of all penalties. These payments will not be subject to withholding of local,
13 state, and federal taxes. The Settlement Administrator will issue an IRS Form 1099 to each Settlement
14 Class Member in relation to these payments.

15 3. Ten percent (10%) of the Individual Class Settlement Payment shall
16 represent payment of all interest. These payments will not be subject to withholding of local, state,
17 and federal taxes. The Settlement Administrator will issue an IRS Form 1099 to each Settlement Class
18 Member in relation to these payments.

19 (a). Class Members With Missing/Unverifiable Social Security
20 Numbers and Withholdings of Taxes and Applicable Penalties. In the event that an Individual Class
21 Settlement Payment exceeds the threshold amount that must be reported to the Internal Revenue
22 Service by means of a Form 1099, Class Counsel, and the Settlement Administrator, will take all
23 necessary and reasonable steps to obtain W-9's from Class Members and to comply with applicable
24 IRS regulations on issuing 1099's without a social security number or tax entity identification number,
25 and shall take all reasonable and necessary steps to avoid imposition of IRS penalties against the Gross
26 Settlement Amount, including, but not limited to limiting payments below the reportable threshold
27 and/or withholding of taxes and any applicable penalties. The Settlement Administrator will contact
28

1 Class Members who are entitled to payments that exceed the taxable income threshold twice, with at
2 least thirty (30) days between the two (2) contacts.

3 c. Uncashed Settlement Checks (Class and PAGA). Individual Class Settlement
4 Payment and Individual PAGA Payment checks shall remain negotiable for one hundred and eighty
5 (180) calendar days from the postmark date of issuance. If the Individual Class Settlement Payment
6 and/or the Individual PAGA Payment check is not cashed, deposited, or otherwise negotiated by the
7 Settlement Class Member within the 180-day deadline, the check will be voided, and the funds
8 associated with any such voided checks shall be paid to the State of California Controller's Office –
9 Unclaimed Property Division, pursuant to California Code of Civil Procedure section 384. Neither
10 Defendant, Defendant's counsel, Plaintiff's counsel nor Plaintiff will have any liability for lost or
11 stolen settlement checks, forged signatures on settlement checks, unauthorized negotiation of
12 settlement checks or failure to timely cash a settlement check within the 180-day period. The
13 Settlement Administrator shall send a reminder postcard to any Class Member whose settlement
14 distribution check has not been negotiated within sixty (60) days after the date of mailing.

15 d. Certification By Settlement Administrator. The Parties have the right to
16 monitor and review administration of the Settlement. Any disputes not resolved by the Settlement
17 Administrator concerning the administration of the Settlement will be resolved by the Court, under
18 the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties
19 will confer in good faith to resolve the disputes without the necessity of involving the Court. Upon
20 completion of administration of the Settlement, the Settlement Administrator shall provide written
21 certification of such completion to counsel for the Parties, and which shall be filed with the Court as
22 necessary.

23 e. Settlement Awards Do Not Trigger Additional Benefits. All monies received
24 by Settlement Class Members shall be deemed to be income to such Settlement Class Members solely
25 in the year in which such awards actually are received by the Settlement Class Members. It is expressly
26 understood and agreed that the receipt of such Individual Class Settlement Payments and Individual
27 PAGA Payments will not entitle any Settlement Class Member to additional compensation or benefits
28 under any company compensation or benefit plan or agreement in place during the period covered by

1 the Settlement, nor will it entitle any Settlement Class Member and PAGA Member to any increased
2 pension and/or retirement, or other deferred compensation benefits. It is the intent of this Settlement
3 that any Individual Class Settlement Payments and Individual PAGA Payments provided for in this
4 Agreement are the sole payments to be made by Defendant to the Settlement Class Members and
5 PAGA Members in connection with this Settlement, and that the Settlement Class Members and
6 PAGA Members are not entitled to any new or additional compensation or benefits as a result of
7 having received the Individual Class Settlement Payments and/or Individual PAGA Payments
8 (notwithstanding any contrary language or agreement in any benefit or compensation plan document
9 that might have been in effect during the period covered by this Settlement).

10 f. Class Representative Service Award. Defendant agrees that it will not oppose
11 or object to a Class Representative Service Award to Plaintiff of up to Six Thousand Dollars
12 (\$6,000.00), subject to Court approval. The Settlement Administrator shall issue an IRS Form 1099 –
13 MISC to Plaintiff in connection with the Class Representative Service Award payment. Plaintiff shall
14 be solely and legally responsible to pay any and all applicable taxes on his Class Representative
15 Service Award and shall hold harmless Defendant and Class Counsel from any claim or liability for
16 taxes, penalties, or interest arising as a result of the Class Representative Service Award payment.
17 The Class Representative Service Award shall be in addition to Plaintiff's Individual Settlement
18 Payment. This Settlement is not contingent upon the Court awarding Plaintiff a Class Representative
19 Service Award in any amount, and any amount requested by Plaintiff for the Class Representative
20 Service Award that is not granted by the Court shall return to the Net Settlement Amount and be
21 distributed to Settlement Class Members as provided in this Amended Agreement.

22 g. Class Counsel Award. Defendant agrees not to oppose or object to any
23 application or motion by Class Counsel for attorneys' fees not to exceed thirty-three and one-third
24 percent from the Gross Settlement Amount, or Ninety-three Thousand, Two Hundred and Forty
25 Dollars and Zero cents (\$93,240.00). Defendant further agrees not to oppose any application or motion
26 by Class Counsel for the reimbursement of any costs or expenses associated with Class Counsel's
27 prosecution of this matter from the Gross Settlement Amount not to exceed \$25,000. Class Counsel
28 shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to

1 this paragraph. The Settlement Administrator shall issue an IRS Form 1099 – MISC to Class Counsel
2 for the payments made pursuant to this paragraph. This Settlement is not contingent upon the Court
3 awarding Class Counsel any particular amount in attorneys’ fees and costs. Any amount requested by
4 Class Counsel for the Class Counsel Award and costs that are not granted by the Court shall return to
5 the Net Settlement Amount and be distributed to Settlement Class Members as provided in this
6 Agreement.

7 h. Settlement Administration Costs. The Settlement Administrator shall be paid
8 for the costs of administration of the Settlement from the Gross Settlement Amount. The costs of
9 notice and administration for the disbursement of the Gross Settlement Amount shall not exceed
10 Twelve Thousand Dollars (\$12,000.00). Prior to the filing of a motion for final approval of this
11 Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the costs
12 of administration. Any amount requested by the Settlement Administrator for administration costs that
13 is not granted by the Court shall return to the Net Settlement Amount and be distributed to Settlement
14 Class members as provided in this Settlement Agreement. Defendant will pay any fees incurred by
15 the Settlement Administrator if the settlement is not approved.

16 i. PAGA Payment. Thirty Thousand dollars (\$30,000) from the Gross Settlement
17 Amount will be allocated to penalties under PAGA. Sixty-five percent (65%) of that amount, or
18 \$19,500, will be paid to the LWDA and twenty-five (35%) of that amount, or \$10,500, will be paid to
19 the PAGA Members based upon Compensable PAGA Pay Periods as determined by the PAGA
20 Payment Ratio as set forth in Paragraph 25. This PAGA Payment is made pursuant to California Labor
21 Code § 2699(i).

22 54. Tax Liability: Class Counsel and Defendant make no representation as to the tax
23 treatment or legal effect of payments called for hereunder, and Plaintiff, Settlement Class Members,
24 and PAGA Members are not relying on any statement or representation by Class Counsel or
25 Defendant in this regard. Plaintiff, Settlement Class Members, and PAGA Members understand and
26 agree that they will be solely responsible for the payment of any taxes and penalties assessed on
27 their respective payments described herein. The amount of federal income tax withholding will be
28 based upon a flat withholding rate for supplemental wage payments in accordance with Treas. Reg.

1 § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholding will also be made
2 pursuant to applicable state and/or local withholding codes or regulations. Forms W-2 and/or Forms
3 1099 will be distributed at times and in the manner required by the Internal Revenue Code of 1986
4 (the “Code”) and consistent with this Settlement Agreement. If the Code, the regulations
5 promulgated thereunder, or other applicable tax law, is changed after the date of this Settlement
6 Agreement, the processes set forth in this Section may be modified in a manner to bring Defendant
7 into compliance with any such changes.

8 55. Distribution of Settlement Payments. Individual Class Settlement Payments to
9 Settlement Class Members, the Class Representative Service Award, the Class Counsel Award,
10 Settlement Administration Costs, Defendant’s share of employer payroll taxes and PAGA Payment,
11 shall all be distributed by the Settlement Administrator within thirty (30) calendar days of receipt of
12 the full Gross Settlement Amount from Defendant. Prior to distribution of Individual Class
13 Settlement Payments to the Settlement Class Members and Individual PAGA Payments to PAGA
14 Members, the Settlement Administrator shall update the Class and PAGA Members addresses using
15 the National Change of Address Database.

16 56. Additional Compensable Workweeks. It is currently estimated that Class Members
17 worked 9,566 Compensable Work Weeks as confirmed by Defendant if the number of Compensable
18 Workweeks identified for the Class Members exceeds 10% or more of Compensable Workweeks
19 (i.e., 10,523 Compensable Workweeks the Gross Settlement Amount will be increased on a pro rata
20 basis according to the number of additional Compensable Work Weeks in excess of 10% percent of
21 the total number of Compensable Work Weeks during the Class Period

22 57. Final Settlement Approval Hearing and Entry of Final Judgment. Upon expiration of
23 the Response Deadline, a final approval hearing shall be conducted to determine, *inter alia*, final
24 approval of the Settlement and amounts properly payable for: (a) Individual Class Settlement
25 Payments; (b) the Class Counsel Award; (c) the Class Representative Service Award; (d) PAGA
26 Payment; and (e) the Settlement Administration Costs.

27 58. Nullification of Settlement Agreement. In the event: (a) the Court does not enter the
28 Order for preliminary approval of the Settlement; (b) the Court does not finally approve the

1 Settlement; (c) the Court does not enter a Final Approval Order and Judgment as provided herein;
2 (d) the Settlement does not become final for any other reason; or (e) the Court fails or refuses to
3 approve any material condition of this Settlement Agreement which effects a fundamental change of
4 the Settlement Agreement, this entire Settlement Agreement shall be null and void and
5 unenforceable as to all Parties herein at the option of any Party but remains protected by California
6 Evidence Code Section 1152, and any order or judgment entered by the Court in furtherance of this
7 Settlement shall be treated as void from the beginning. In such cases, the Parties and any funds to be
8 awarded under this Settlement shall be returned to their respective statuses as of the date and time
9 immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as
10 if this Agreement had not been executed, except that any fees already incurred by the Settlement
11 Administrator shall be paid by Defendant. Further, if the Settlement Agreement is voided or fails
12 for any reason, Plaintiff and Defendant will have no further obligations under the Settlement
13 Agreement, including any obligation by Defendant to pay the Settlement Amount, or any amounts
14 that otherwise would have been owed under this Settlement Agreement. In the event an appeal is
15 filed from the Court's Final Approval Order and Judgment, or any other appellate review is sought,
16 administration of the Settlement shall be stayed pending final resolution of the appeal or other
17 appellate review, and any fees incurred by the Settlement Administrator prior to it being notified of
18 the filing of an appeal from the Court's Final Approval Order and Judgment, or any other appellate
19 review, shall be paid to the Settlement Administrator by the party or person that filed the appeal,
20 within thirty (30) calendar days of said notification.

21 . 59. No Admission by Defendant. Defendant denies any and all claims alleged in this
22 Action and deny all wrongdoing whatsoever. This Settlement Agreement is not a concession or
23 admission and shall not be used against Defendant as an admission or indication with respect to any
24 claim of any fault, concession, or omission by Defendant. Nonetheless, Defendant's desire to settle
25 and compromise the matters at issue in the Action to avoid further substantial expense and the
26 inconvenience and distraction of protracted and burdensome litigation. Defendant also has taken
27 into account the uncertainty and risks inherent in litigation, and without conceding any infirmity in
28 the defenses that it has asserted or could assert against Plaintiff, Settlement Class Member, and/or

1 Settlement; (c) the Court does not enter a Final Approval Order and Judgment as provided herein;
2 (d) the Settlement does not become final for any other reason; or (e) the Court fails or refuses to
3 approve any material condition of this Settlement Agreement which effects a fundamental change of
4 the Settlement Agreement, this entire Settlement Agreement shall be null and void and
5 unenforceable as to all Parties herein at the option of any Party but remains protected by California
6 Evidence Code Section 1152, and any order or judgment entered by the Court in furtherance of this
7 Settlement shall be treated as void from the beginning. In such cases, the Parties and any funds to be
8 awarded under this Settlement shall be returned to their respective statuses as of the date and time
9 immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as
10 if this Agreement had not been executed, except that any fees already incurred by the Settlement
11 Administrator shall be paid by Defendant. Further, if the Settlement Agreement is voided or fails
12 for any reason, Plaintiff and Defendant will have no further obligations under the Settlement
13 Agreement, including any obligation by Defendant to pay the Settlement Amount, or any amounts
14 that otherwise would have been owed under this Settlement Agreement. In the event an appeal is
15 filed from the Court's Final Approval Order and Judgment, or any other appellate review is sought,
16 administration of the Settlement shall be stayed pending final resolution of the appeal or other
17 appellate review, and any fees incurred by the Settlement Administrator prior to it being notified of
18 the filing of an appeal from the Court's Final Approval Order and Judgment, or any other appellate
19 review, shall be paid to the Settlement Administrator by the party or person that filed the appeal,
20 within thirty (30) calendar days of said notification.

21 59. No Admission by Defendant. Defendant denies any and all claims alleged in this
22 Action and deny all wrongdoing whatsoever. This Settlement Agreement is not a concession or
23 admission and shall not be used against Defendant as an admission or indication with respect to any
24 claim of any fault, concession, or omission by Defendant. Nonetheless, Defendant's desire to settle
25 and compromise the matters at issue in the Action to avoid further substantial expense and the
26 inconvenience and distraction of protracted and burdensome litigation. Defendant also has taken
27 into account the uncertainty and risks inherent in litigation, and without conceding any infirmity in
28 the defenses that it has asserted or could assert against Plaintiff, Settlement Class Member, and/or

1 PAGA Members has determined that it is desirable and beneficial that the claims of Plaintiff, the
2 Settlement Class, and PAGA Members be settled in the manner and upon the terms and conditions
3 set forth in this Settlement Agreement.

4 60. Mutual Non-Disparagement. The Parties mutually agree that they shall not publicly
5 assert, declare, avow, lay claim to, or in any other manner represent that any of them engaged in
6 actions or conduct with the purpose of attempting to harass, embarrass, ridicule, demean, demote,
7 defame, or otherwise denigrate each other, and any of them, their good name(s), personal and/or
8 professional reputations, and/or community standing. In the event of an employment inquiry
9 regarding the Plaintiff, Defendant shall only provide dates of employment and last position held.
10 The Parties and their counsel agree not to issue any press releases, initiate contact with press, or
11 respond to press inquiry regarding the Settlement.

12 61. No Publicity. Plaintiff and Plaintiff's Counsel agree not to disclose or publicize the
13 settlement, including the Memorandum of Understanding, the fact of the Settlement, its terms or
14 contents, and the negotiations underlying the Settlement, in any manner or form, directly or
15 indirectly, to any person or entity, except potential class members and as shall be contractually
16 required to effectuate the terms of the Settlement as set forth herein. For the avoidance of doubt, this
17 section means Plaintiff and Class Counsel will not issue press releases, communicate with, or
18 respond to any media or publication entities, publish information in manner or form, whether printed
19 or electronic, on any medium or otherwise communicate, whether by print, video, recording or any
20 other medium, with any person or entity concerning the Settlement, including the fact of the
21 Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be
22 contractually required to effectuate the terms of the Settlement as set forth herein. However, for the
23 limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class
24 Counsel may disclose the name of the Parties in this action and the venue/case number of this action
25 (but not any other settlement details) for such purposes.

26 62. Exhibits and Headings. The terms of this Settlement Agreement include the terms set
27 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
28 herein. Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive

1 headings of any paragraphs or sections of this Agreement are inserted for convenience of reference
2 only and do not constitute a part of this Agreement.

3 63. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
4 except such proceedings necessary to implement and complete the Settlement, holding the Action in
5 abeyance pending the final approval hearing to be conducted by the Court.

6 64. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning the
7 interpretation, calculation or payment of Settlement claims, or other disputes regarding compliance
8 with this Agreement shall be resolved as follows:

9 a. If Plaintiff or Class Counsel, on behalf of Plaintiff. Settlement Class Member,
10 or PAGA Member, or Defendant's Counsel, on behalf of Defendant, at any time believe that the other
11 Party has breached or acted contrary to the Agreement, that Party shall notify the other Party in writing
12 of the alleged violation.

13 b. Upon receiving notice of the alleged violation or dispute, the responding Party
14 shall have ten (10) calendar days to correct the alleged violation and/or respond to the initiating Party
15 with the reasons why the Party disputes all or part of the allegation.

16 c. If the response does not address the alleged violation to the initiating Party's
17 satisfaction, the Parties shall negotiate in good faith for up to ten (10) calendar days to resolve their
18 differences.

19 d. If Class Counsel and Defendant's Counsel are unable to resolve their
20 differences after twenty (20) calendar days, either Party shall first contact the mediator (Steven
21 Rottoman, Esq.) to try to resolve the dispute. If that proves unsuccessful, the party may file an
22 appropriate motion for enforcement with the Court. The briefing of such motion should be in letter
23 brief form and shall not exceed five (5) single-spaced pages (excluding exhibits).

24 e. Reasonable attorneys' fees and costs for work done in resolving a dispute under
25 this Section may be recovered by any Party that prevails under the standards set forth within the
26 meaning of applicable law.

27 65. Notice. Unless otherwise specifically provided herein, all notices, demands or other
28 communications given hereunder shall be in writing and shall be deemed to have been duly given as

1 of the third business day after (i) emailing and (ii) mailing by United States registered or certified
2 mail, return receipt requested, addressed:

3 To the Settlement Class:

4 THE WHEELER LAW FIRM, APC
5 Scott Ernest Wheeler
6 Justin A. Wheeler
7 250 West First Street, Suite 216
8 Claremont, California 91711
9 Telephone: (909) 621-4988
Facsimile: (909) 621-4622
Email: sew@scottwheelerlawoffice.com
jaw@scottwheelerlawoffice.com

10 To Defendant:

11 PETTIT KOHN INGRASSIA LUTZ & DOLIN PC
12 Ryan H. Nell (SBN 284648)
13 Celeste M. Leung (SBN 345897)
14 11622 El Camino Real, Suite 300
15 San Diego, California 92130
Telephone: (858) 755-8500
Facsimile: (858) 755-8504
Email: rnell@pettitkohn.com
cleung@pettitkohn.com

16 66. Amendment or Modification. This Agreement may be amended or modified only by
17 a written instrument signed by counsel for all Parties and approved by the Court.

18 67. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute
19 the entire Agreement among these Parties, and no oral or written representations, warranties, or
20 inducements have been made to any Party concerning this Agreement or its Exhibits other than the
21 representations, warranties, and covenants contained and memorialized in the Agreement and its
22 Exhibits.

23 68. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
24 and represent they are expressly authorized by the Parties whom they represent to negotiate this
25 Agreement and to take all appropriate actions required or permitted to be taken by such Parties
26 pursuant to this Agreement to effectuate its terms, and to execute any other documents required to
27 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other
28 and use their best efforts to affect the implementation of the Settlement. In the event the Parties are

1 unable to reach agreement on the form or content of any document needed to implement the
2 Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of
3 this Settlement, the Parties may seek the assistance of the Court or the mediator to resolve such
4 disagreement. The persons signing this Agreement on behalf of Defendant represents and warrants
5 that they are authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and
6 warrants that he is authorized to sign this Agreement and that he has not assigned any claim, or part
7 of a claim, covered by this Settlement to a third-party.

8 69. Binding on Successors and Assigns. This Agreement shall be binding upon, and
9 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

10 70. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they
11 have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer,
12 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
13 action or rights released and discharged by this Settlement Agreement.

14 71. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
15 Order and Judgment, nothing contained herein, nor the consummation of this Settlement Agreement,
16 is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the
17 part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into
18 this Settlement Agreement with the intention of avoiding further disputes and litigation with the
19 attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and it,
20 along with all related documents such as the notices, and motions for preliminary and final approval,
21 shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be
22 inadmissible as evidence in any proceeding, except an action or proceeding to approve the
23 Settlement, and/or interpret or enforce this Settlement Agreement. The stipulation for class
24 certification as part of this Settlement Agreement is for settlement purposes only and if for any
25 reason the Settlement is not approved, the stipulation will be of no force or effect.

26 72. California Law Governs. All terms of this Settlement Agreement and the Exhibits
27 hereto shall be governed by and interpreted according to the laws of the State of California.

1 73. This Settlement is Fair, Adequate and Reasonable. The Parties believe this
2 Settlement is a fair, adequate, and reasonable settlement of this Action and have arrived at this
3 Settlement after extensive arms-length negotiations, taking into account all relevant factors, present
4 and potential.

5 74. Jurisdiction of the Court. Pursuant to California Code of Civil Procedure section
6 664.6 and California Rules of Court. Rule 3.769(h), the Court shall retain jurisdiction with respect to
7 the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and
8 all orders and judgments entered in connection therewith, and the Parties and their counsel hereto
9 submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the
10 settlement embodied in this Agreement and all orders and judgments entered in connection
11 therewith. All terms of this Settlement Agreement are subject to approval by the Court.

12 75. Construction. The Parties hereto agree that the terms and conditions of this
13 Settlement Agreement are the result of lengthy, intensive arms-length negotiations among the
14 Parties and that this Settlement Agreement shall not be construed in favor of or against any Party
15 based on the extent to which any Party or their counsel participated in the drafting of this Settlement
16 Agreement. Plaintiff and Defendant expressly waive the common-law and statutory rule of
17 construction that ambiguities should be construed against the drafter of an agreement and further
18 agree, covenant, and represent that the language in all parts of this Settlement Agreement shall be in
19 all cases construed as a whole, according to its fair meaning.

20 76. Captions and Interpretations. Paragraph titles or captions contained herein are
21 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
22 describe the scope of this Settlement Agreement or any provision hereof. Each term of this
23 Settlement Agreement is contractual and not merely a recital.

24 77. Binding On Assigns. This Settlement Agreement shall be binding upon and inure to
25 the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
26 successors and assigns.

27 78. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
28 because the members of the Settlement Class are numerous, it is impossible or impractical to have

1 each Settlement Class Member execute this Settlement Agreement. The Notice will advise all
2 Settlement Class Members of the binding nature of the release provided herein and such Release
3 shall have the same force and effect as if this Settlement Agreement were executed by each
4 Settlement Class Member.

5 79. Voluntary Agreement. The Parties acknowledge that they have entered into this
6 Settlement Agreement voluntarily, on the basis of their own judgment and without coercion, duress,
7 or undue influence of any Party, and not in reliance on any promises, representations, or statements
8 made by the other Parties other than those contained in this Settlement Agreement. Each of the
9 Parties hereto expressly waives any right they might ever have to claim that this Settlement
10 Agreement was in any way induced by fraud.

11 80. Opportunity to Consult with Counsel. Prior to execution of this Settlement
12 Agreement, each Party has read this entire Settlement Agreement and has been given the
13 opportunity to consult with independent counsel of their choosing and to have such independent
14 counsel advise as to the meaning of this Settlement Agreement and its legal effect.

15 81. Counterparts. This Settlement Agreement may be executed in counterparts, and when
16 each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed
17 an original, and, when taken together with other signed counterparts, shall constitute one fully-
18 signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic
19 signatures shall have the same force and effect as an original. To facilitate execution and delivery of
20 this Agreement, the Parties may execute and exchange by facsimile or electronic image (i.e., as a
21 “.pdf” file) counterparts of the signature pages and/or sign by electronic means (i.e., with
22 DocuSign).

23 82. Invalidity of Any Provision. Before declaring any provision of this Settlement
24 Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent
25 possible consistent with applicable precedents so as to define all provisions of this Agreement valid
26 and enforceable.

27 Dated: 12/06/25
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By: Rene Salvador
Rene C. Salvador

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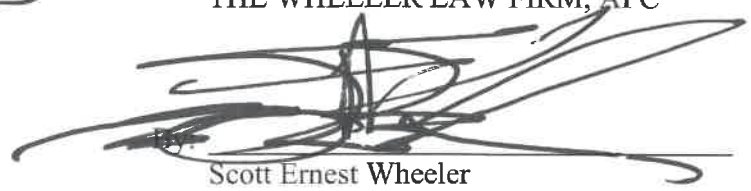
Dated: 12/08/2025

By: Rosie Gastelum
Ciuti International, Inc.
Rose Gastelum
Title: Chief Financial Officer

APPROVED AS TO FORM:

Dated: 12/8/25

THE WHEELER LAW FIRM, APC



Scott Ernest Wheeler
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Attorneys for Plaintiff and the Putative Class

Dated: December 4, 2025

PETTIT KOHN INGRASSIA LUTZ & DOLIN PC

By: Celeste Leung
Ryan H. Nell
Celeste M. Leung
Attorneys for Defendant

EXHIBIT A

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Rene C. Salvador v. Ciuti International, Inc., Superior Court of the State of California
for the County of San Bernardino, Case Number: CIVRS2400545

SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN BERNARDINO CASE NO. CIVSB2400545

PLEASE READ THIS NOTICE

A class and representative action under the Private Attorneys General Act, California Labor Code sections 2699-2699.5. ("PAGA") against Defendant, Ciuti International, Inc. ("Defendant") has been preliminarily approved for settlement. In the lawsuit, Plaintiff, Rene C. Salvador ("Plaintiff") alleged that Defendant failed to properly compensate Class Members for all hours worked, failed to provide Class Members with compliant meal and/or rest periods or compensation in lieu thereof, failed to pay overtime wages, failed to pay minimum wages, failed to timely pay all wages, failed to pay all wages due to quitting and discharged employees at the time of separation, failed to maintain accurate payroll records, failed to provide accurate wage statements, failed to pay and provide for supplemental COVID-19 sick leave, failure to reimburse for reasonable and necessary business expenses; and penalties predicated on the Labor Code violations pursuant to Labor Code sections 2699-2699.5 ("PAGA"). Defendant denies Plaintiff's allegations and contends that it complied with applicable law.

Class Member(s) are defined as: All non-exempt, hourly employees not bound by an agreement to arbitrate disputes who were employed and worked for Defendant, in the State of California, at any time from August 12, 2020, through October 10, 2025. ("Class Period" and collectively, the Class Members are referred to as the "Class").

"Class Period" means the time period from August 12, 2020, through October 10, 2025.

PAGA Member(s) are defined as: All non-exempt, hourly employee who was employed and worked for Defendant at any time during the time period of August 12, 2023, through October 10, 2025 ("PAGA Period").

The PAGA period is time period from August 12, 2023, through October 10, 2025.

You have been identified by Defendant's records as a Class Member in the above-entitled action, and as such, you are subject to the terms of the Class Action and PAGA Settlement Agreement And Release ("Settlement"), preliminarily approved by the Court. Please read this notice carefully. It may affect your legal rights. Defendant will not retaliate against you for any actions you take with respect to the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS WITH RESPECT TO THE SETTLEMENT	
Participate in the Settlement	If you want to remain in the Class, be bound by the Settlement and receive your Individual Settlement Payment, and if eligible, PAGA Payment , then you need not do anything.
Exclude Yourself From the Settlement	If you do not want to be bound by the Settlement, you must follow the instructions in Section 6 to exclude yourself. If you exclude yourself, you will not receive your Individual Settlement Payment, and you will not release the Settled Claims against Released Parties defined in Section 4 below. If this Settlement is approved by the Court, and you are a PAGA Member, you will receive your PAGA payment and the Settled PAGA Claims will be released even if you exclude yourself from the Settlement.
Object to the Settlement	If you want to object to the Settlement, you must follow the instructions in Section 7. If you object, you will still be bound by the terms of the Settlement, if approved by the Court.

1. WHY DID I GET THIS NOTICE?

You have received this Notice because Defendant's records reflect that you are a Class Member as defined above. This Notice provides you with information about (1) the terms of the Settlement, including the claims that are being released, (2) the total monetary amount

of the Settlement, (3) your estimated Individual Settlement Payment provided you remain a Settlement Class Member, and (4) where to find additional information regarding the case and the Settlement.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you do nothing, then you will be automatically included in the Settlement and do not need to take any further action to receive a payment.

2. WHAT IS THIS CASE ABOUT?

Plaintiff initiated this action on August 12, 2024, in the Superior Court of California, County of San Bernardino, commencing the lawsuit entitled *Rene C. Salvador v. Ciuti International, Inc.*, Superior Court of the State of California for the County of San Bernardino, Case No. CIVSB2400545. Plaintiff's Class Action Complaint alleged on behalf of himself and the Class the following claims against Defendant: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to pay timely wages; (6) failure to pay all wages due to discharged and quitting employees; (7) failure to furnish accurate, itemized wage statements; (8) failure to maintain records; (9) failure to reimburse necessary business expenses; (10) failure to provide for and pay COVID-19 supplemental sick leave; (11) unfair business competition; and (12) violation of PAGA, predicated on the violations of the California Labor Code and applicable IWC Wage Order as alleged in the Operative Complaint.

The resolution of the PAGA claim ("PAGA Settlement") includes all non-exempt, hourly employee who was employed and worked for Defendant at any time during the time period of August 12, 2023, through October 10, 2025 ("PAGA Members").

The Court has not ruled on the merits of Plaintiff's claims. By preliminarily approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case on the merits. Rather, the Court has determined only that there is sufficient evidence to determine on a preliminary basis that the proposed Settlement is fair, adequate, and reasonable and any final determination of those issues will be made at the final approval hearing.

3. THE SETTLEMENT TERMS AND CALCULATION OF INDIVIDUAL SETTLEMENT PAYMENTS AND PAGA PAYMENTS.

Without admitting any wrongdoing, and to avoid the business disruptions caused by litigating these claims, Defendant has agreed to pay a Gross Settlement Amount of Two Hundred and Eighty Thousand Dollars and Zero Cents (\$280,00.00) to settle the Action if approved by the Court.

The following amounts will be paid from the Gross Settlement Amount:

- Service Payment to Plaintiff for his service as Class Representative in the amount of up to Six Thousand Dollars and Zero Cents (\$6,000.00);
- Attorneys' Fees not to exceed Ninety-three Thousand, Two Hundred and Forty Dollars and Zero cents (\$93,240.00) (i.e., 1/3 of the Gross Settlement Amount) to Class Counsel and up to Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) for reimbursement of litigation costs and expenses ("Attorneys' Costs");
- The amount of Thirty Thousand Dollars and Zero Cents (\$30,000.00) allocated to the payment of civil penalties under PAGA (the "PAGA Allocation");
- The costs associated with administration of the Settlement, estimated to be Twelve Thousand Dollars and Zero Cents (\$12,000.00) ("Settlement Administration Costs").

Individual Settlement Payment: The amount remaining from the Gross Settlement Amount after the above deductions is called the "Net Settlement Amount". The Net Settlement Amount will be allocated to all Class Members who do not request to be excluded from the Settlement ("Settlement Class Members") on a *pro rata* basis, based on their number of Compensable Work Weeks. Each payment is called an "Individual Settlement Payment" and will be calculated as follows:

1. The Settlement Administrator will determine the number of work weeks worked by Class Members in California as a non-exempt employee during the Class Period ("Compensable Work Weeks");
2. The Settlement Administrator will determine the value of a single Compensable Work Week by dividing the Net Settlement Amount by the total number of Compensable Work Weeks for each Settlement Class Member resulting in a payment ratio; and
3. Each Settlement Class Member shall receive a gross Individual Settlement Payment equal to his or her Compensable Work Week payment ratio multiplied by the Net Settlement Amount.

Based on your Compensable Work Weeks, your individual settlement payment as a Settlement Class Member is estimated to be \$.

PAGA Payment: A total of **Thirty Thousand Dollars and Zero Cents (\$30,000.00)** of the Gross Settlement Amount has been allocated to PAGA Settlement. Of this amount, 65% or **Nineteen Thousand and Five Hundred Dollars (i.e., \$19,500.00)** will be paid to California's Labor & Workforce Development Agency, and 35% or **Ten Thousand and Five Hundred Dollars (i.e., \$10,500.00)** (the "Net PAGA Distribution Amount") will be paid on a *pro-rata* basis to PAGA Members.

1. The Settlement Administrator will determine the number of pay periods worked by PAGA Members as non-exempt employees in California during the period from August 12, 2023, through October 10, 2025 ("Compensable PAGA Work Weeks");
2. The Settlement Administrator will determine the value of a single Compensable PAGA Pay Periods by dividing the Net PAGA Distribution Fund by the total number Compensable PAGA Pay Periods by all PAGA Members.
3. Each PAGA Member shall receive a PAGA Payment equal to his or her Compensable PAGA Pay Periods multiplied by the value of a single Compensable PAGA Work Week.

Based on these PAGA Compensable Pay Periods, your PAGA Payment is estimated to be \$.

If you dispute the above information, you may submit a written dispute to the number of Compensable Work Weeks and/or Compensable PAGA Pay Periods allocated to you ("Dispute") to the Settlement Administrator. Your Dispute must: (1) contain your name, address, and telephone number and the case name and number of this action, *Rene C. Salvador v. Ciuti International, Inc.*, Superior Court of the State of California for the County of San Bernardino, Case No. CIVRS2400545; (2) be signed by you; (3) be postmarked, emailed or fax stamped on or before (**INSERT DATE**) and returned to the Settlement Administrator at the address, email or fax number listed below; (4) clearly state the number of Compensable Work Weeks and/or Compensable PAGA Pay Periods you believe are correct; and (5) attach any documentary evidence you have to prove the number of contented Compensable Work Weeks and/or Compensable PAGA Pay Periods.

ILYM Group, Inc.
Re: *Rene C. Salvador v. Ciuti International, Inc.*
INSERT ADDRESS
Phone: (800)
Facsimile: (714)
Email: **INSERT EMAIL ADDRESS**

Thirty-five percent (35%) of each Individual Settlement Payment will be allocated to wages and subject to all applicable employee state and federal tax withholdings; fifty-five (55%) of each Individual Settlement Payment will be considered penalties and any other non-wage related amount; and ten percent (10%) of each Individual Settlement Payment will be considered interest. The amount allocated as wages will be reported on an IRS form W-2, and the remaining amount allocated as penalties, liquidated damages, interest and other non-wage payments will be reported on an IRS form 1099. One hundred percent (100%) of each PAGA Payment will be allocated as penalties and be reported on an IRS form 1099.

In addition to the Gross Settlement Amount, Defendant will pay all employer-payroll taxes and contributions in connection with the portion of the Settlement allocated towards wages at the time the Gross Settlement Amount is funded.

Class and PAGA Members are responsible for paying taxes on any amounts received. This Notice is not tax advice and you should consult your tax advisor. Checks will be valid and negotiable for one-hundred and eighty (180) days; after that checks will become void and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within one-hundred and eighty (180) days of mailing, or are returned to the Settlement Administrator, will be cancelled and the Settlement Administrator shall send the funds associated with uncashed checks to the State of California Controller's Office, Unclaimed Property Division, in the name of the affected Class Member. **Class Members will be bound by the Settlement even if they do not cash their settlement checks.**

4. WHAT AM I RELEASING AS A CLASS MEMBER UNDER THE SETTLEMENT?

If you do nothing, you will receive your Individual Settlement Payment.

If and when the Court grants final approval of the Settlement, as of the Effective Date, all Class Members who do not opt out of the Settlement ("Settlement Class Members") hereby do and shall fully and finally release and discharge Released Parties, from August 12, 2020, through October 14, 2025, in exchange for the consideration provided under this Settlement, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action for: (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 510, 512, 1194, 1197 and Industrial Welfare Orders 5-2001, 7-2001, and 16-2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Sections 226.7, 512 and Industrial Welfare Orders 5-2001 and 16-2001, Section 12; (3) failure to pay overtime wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Orders 5-2001, 7-2001 and 16-2001, Section 3; (4) failure to pay minimum wages pursuant to Labor Code Sections 1194, 1197 and Industrial Welfare Orders 5-2001, and 16-2001, Section 4; (5) failure to pay timely wages in violation of Labor Code Sections 204 and

210; (6) failure to pay all wages owed and due at termination of employment in violation of Labor Code Sections 201, 202 and 203; (7) failure to provide accurate itemized wage statements in violation of Labor Code Sections 226, 246, 248.1, 248.2, 248.6, and Industrial Welfare Orders 5-2001 and 16-2001, Section 7; (8) failure to maintain required records in violation of Labor Code Sections 226, 1174, and Industrial Welfare Orders 5-2001 and 16-2001, Section 7; (9) failure to indemnify for necessary business expenditures incurred in the discharge of duties, in violation of Labor Code Section 2802; (10) failure to provide sick leave and supplemental COVID-19 sick leave, in violation of Labor Code Sections 246, 247.5, 248.1, 248.2 and 248.6; (11) violation of the California Unfair Competition Law in violation of Business and Professions Code Section 17200 et. seq.; and (12) and violation of the California Private Attorneys' General Act ("PAGA"), Labor Code Sections 2698, 2699 and 2699.5, predicated on the violations of the California Labor Code and IWC Wage Orders 5-2001 and 16-2001, as alleged in the Operative Complaint and the LWDA Notice dated February 5, 2025. This release shall apply to all claims arising at any point during the Class Period.

"Released Parties" collectively means Defendant and any past, present or future parent, subsidiary, affiliate, predecessor or successor, and all agents, employees, owners, shareholders, insurers, reinsurers, assigns, officers, directors and attorneys thereof.

5. WHAT AM I RELEASING AS A PAGA MEMBER UNDER THE SETTLEMENT?

As of the Effective Date, all PAGA Members, hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties of and from any and all Settled PAGA Claims.

"Settled PAGA Claims" means penalties under PAGA only, and not for underlying wage and hour claims which the claims for penalties are based upon, as alleged in the Operative Complaint and the PAGA Notice filed by Plaintiff, and as described in section 4, above.

Released Parties is defined in section 4 of this Notice above.

PAGA MEMBERS CANNOT OPT-OUT OR EXCLUDE THEMSELVES FROM THE PAGA SETTLEMENT OR RELEASE OF SETTLED PAGA CLAIMS AND WILL RECEIVE A PAGA PAYMENT EVEN IF THEY OPT-OUT OR EXCLUDE THEMSELVES FROM THE CLASS SETTLEMENT.

6. WHAT IF I DON'T WANT TO PARTICIPATE IN THE CLASS SETTLEMENT?

You have the right to request exclusion from the Settlement as a Class Member and with regards to the settlement of Settled Claims, but you are not able to exclude yourself as a PAGA Member. To exclude yourself as a Settlement Class Member, you must submit a written Request for Exclusion to the Settlement Administrator ("Opt-Out Request") at the address, email or fax number listed in section 3 of this Notice above.

A valid and complete Opt-Out Request must (1) contain the name, address, and telephone number of the Class Member requesting exclusion and the case name and number of the *Salvador* Action (i.e., *Rene C. Salvador v. Ciuti International, Inc.*, Superior Court of the State of California for the County of San Bernardino, Case No. CIVRS2400545; (2) be signed by the Class Member; (3) be postmarked, emailed or fax stamped on or before [INSERT DATE] and returned to the Settlement Administrator at the specified address, email address or fax number listed in section 3 of this Notice above; and (4) contain a statement something substantially similar to:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT OF CLASS CLAIMS IN THE *RENE C. SALVADOR V. CIUTI INTERNATIONAL, INC.*, LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT FROM THE SETTLEMENT OF THE LAWSUIT. I UNDERSTAND THAT THE PAGA CLAIM WILL STILL BE RELEASED AND SETTLED."

It is your responsibility to ensure that the Settlement Administrator timely receives your request to be excluded from the Settlement. Unless you timely request to be excluded from the Settlement, you will be bound by the judgment upon final approval of the Settlement.

Class Members who request to be excluded from the Settlement will NOT receive their Individual Settlement Payment and will not release any of the Settled Claims. However, Class Members who are also PAGA Members will receive their PAGA Payment and release the Settled PAGA Claims regardless of whether they submit an Opt-Out Request.

7. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Settlement Class Member may object to the Settlement or to any settlement term. If the Court denies approval, no payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

If you wish to object, you must submit the written objection to the Settlement Administrator ("Objection") to the following address or fax number listed in section 3 of this Notice above. A valid and timely Objection must: (1) contain the name, address, and telephone number of the Settlement Class Member objecting and the case name and number of the *Salvador* Action (i.e., *Rene C. Salvador v. Ciuti*

International, Inc., Superior Court of the State of California for the County of San Bernardino, Case No. CIVRS2400545; (2) be signed by the Settlement Class Member; (3) give the legal and factual basis for their objection; and (4) be postmarked, emailed or fax stamped on or before **[INSERT DATE]** and returned to the Settlement Administrator at the specified address, email address or fax number in section 3 of the Notice above. Any written objection will not be presumptively invalidated if the objections do not comply with requirements (1), (2) and (3) as long as the written objection is timely received pursuant to requirement (4).

The submission of an objection will **not** exclude you from the Settlement. If the Court grants final approval of the Settlement, you will still receive an Individual Settlement Payment and will be barred from pursuing the Settled Claims. **Do not file both an Objection and Opt-Out Request.** If you file both an Objection and an Opt-Out Request, you will be excluded from the Settlement and the Objection will not be considered.

8. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on **[INSERT DATE AND TIME]** in Department R-14 of the Superior Court of the State of California, San Bernardino Superior Court – Rancho Cucamonga District, located at 8303 Haven Avenue, Rancho Cucamonga, California 91730. The final approval hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement.

9. WHO ARE THE ATTORNEYS?

Attorneys for Plaintiff and the Class are:

THE WHEELER LAW FIRM, APC.
Scott Ernest Wheeler
Justin A. Wheeler
250 West First Street, Suite 216
Claremont, California 91711
Telephone: (909) 621-4988
Facsimile: (909) 621-4622

To Defendant, Ciuti International, Inc.:

PETTIT KOHN INGRASSIA LUTZ & DOLIN PC
Ryan H. Nell (SBN 284648)
Celeste M. Leung (SBN 345897)
11622 El Camino Real, Suite 300
San Diego, California 92130
Telephone: (858) 755-8500
Facsimile: (858) 755-8504

The Court has decided that the Attorney for Plaintiff and the Class are qualified to represent the Settlement Class Members. Other than the Attorneys' Fees and Attorneys' Costs approved by the Court, which will be paid out of the Gross Settlement Amount, you will not be charged for their services.

10. SHOULD I GET MY OWN LAWYER?

You do not need to get your own lawyer. If you want your own lawyer to speak for you or appear in Court, you have the right to hire one, but you will have to pay for that lawyer yourself.

11. FURTHER INFORMATION.

This Notice summarizes the Action and the basic terms of the Settlement. For more complete information, the pleadings and other records in this litigation may be examined during regular court hours at Department R-14 of the Superior Court of the State of California, San Bernardino Superior Court – Rancho Cucamonga District, located at 8303 Haven Avenue, Rancho Cucamonga, California 91730, or at the Court's website at: <https://www.SB-court.org>. Documents regarding this Settlement may also be found on the Internet at: <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales>.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.