Joseph Lavi, Esq. (SBN 209776)
Vincent C. Granberry, Esq. (SBN 276483)
Jeffrey D. Klein, Esq. (SBN 297296)
Paolo Policastro, Esq. (SBN 359731)
LAVI & EBRAHIMIAN, LLP
8889 W Olympic Boulevard, Suite 200
Beverly Hills, California 90211
Telephone: (310) 432-0000
Facsimile: (310) 432-0001
Email: jlavi@lelawfirm.com
vgranberry@lelawfirm.com
jklein@lelawfirm.com
ppolicastro@lelawfirm.com

Attorneys for Plaintiff SIMON RIVERA,
on behalf of himself and others similarly situated.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

SIMON RIVERA, on behalf of himself and others similarly situated,

Plaintiff,

vs.

STEPAN COMPANY; and DOES 1 to 100, inclusive,

Defendants.

Case No.: 30-2025-01470277-CU-OE-CXC

CLASS AND PAGA ACTION

[*Assigned for All purposes to the Hon. Layne H. Melzer, Dept. CX102*]

DECLARATION OF PAOLO POLICASTRO IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

[*Filed concurrently with the Notice of Motion and Motion for Preliminary Approval; Declarations in Support Thereof; and [Proposed] Order*]

Hearing Information:
Date: February 4, 2027
Time: 02:00 p.m.
Dept.: CX102

DECLARATION OF PAOLO POLICASTRO

I, Paolo Policastro, declare:

1. I am an attorney licensed to practice law in the state of California and have been admitted to practice before this Court. I am an attorney with the law firm Lavi & Ebrahimian, LLP, Counsel for Plaintiff Simon Rivera in this action, and I am an attorney assigned to work on this case. Based on my assignment to this case and familiarity with the file and action in this matter, I have personal knowledge of the matters stated herein, and if called and sworn as a witness, I would and could competently testify under oath thereto. I am a member in good standing of all the State and Federal District Courts of California.

2. This Declaration is submitted in support of Plaintiff's Motion for Preliminary Approval of the Class Action and PAGA Settlement.

CLASS COUNSEL'S INVESTIGATION:

3. The named Plaintiff worked as a non-exempt hourly-paid employee for Defendant and seeks to represent approximately 35 current and former hourly-paid, non-exempt employees employed by Defendant in California during the Class Period, and who have not previously released all known and unknown claims against Defendant (hereinafter "Class" or "Class Members").

4. This is a proposed employee wage and hour class action case. On March 24, 2025, Plaintiff commenced this class action by filing a complaint against Defendant for alleged violations of the California Labor Code in the Orange County Superior Court against Defendant (the "Action"). Plaintiff alleged the following: (1) Failure to Pay Wages For All Hours Worked At Minimum Wage in Violation of Labor Code Sections 1194 and 1197, (2) Failure to Authorize or Permit Meal Periods In Violation of Labor Code Sections 512 and 226.7, (3) Failure to Authorize or Permit Rest Periods in Violation of Labor Code Section 226.7, (4) Failure to Indemnify Employees for Employment-Related Losses/Expenditures in Violation of Labor Code Section 2802, (5) Failure to Provide Complete and Accurate Wage Statements in Violation of Labor Code Section 226, (6) Failure to Timely Pay All Earned Wages and Final Paychecks Due at Time of Separation of Employment in Violation of Labor Code Sections 201, 202, and 203, and (7) Unfair Business Practices, in Violation

of Business and Professions Code Sections 17200, et *seq.* Defendant has denied all claims in the Class Action.

5. On March 24, 2025, Plaintiff also submitted a notice to the LWDA informing it of his intention to bring a claim for civil penalties pursuant to PAGA.

6. On June 2, 2025, Plaintiff filed an action in the Orange County Superior Court under the Private Attorneys General Act of 2004 (PAGA) against the same Defendant seeking civil penalties for alleged violations by Defendant (the "PAGA Action").

7. On January 13, 2026, after extensive informal discovery and data exchange, the Parties attended a mediation session with David Phillips, Esq., a well-respected mediator experienced in mediating wage and hour class and representative actions. Shortly thereafter, the Parties reached an agreement which was later memorialized in a Memorandum of Understanding.

8. On August 3, 2026, Plaintiff filed a First Amended Complaint in the Action ("Operative Complaint") which added the claim from the PAGA Action to the instant Action.

THE SETTLEMENT IS FAIR, JUST, AND REASONABLE:

9. As a critical part of settlement negotiations, the Parties engaged in extensive informal discovery exchange where Plaintiff's counsel and the expert of Plaintiff's counsel reviewed and analyzed the following: (1) time records; (2) pay records; (3) information relating to the size and scope of the class; (4) data permitting Plaintiff to fully understand the nature and scope of the allegations in the Complaint.

10. Plaintiff believes that his case is suitable for class certification in that he believes there were company-wide policies that affected Defendant's employees, which could be established using representative testimony from class members, as well as the practices brought forth in discovery. While Plaintiff asserts that this is a case for certification, Plaintiff also realizes that there is always a significant risk associated with class certification, and Defendant's compelling defenses to this case, which are discussed more fully below.

11. The Settlement was reached as a result of arm's-length negotiations facilitated by a highly regarded and experienced wage and hour mediator, David Phillips, Esq., and analysis by

Plaintiff's counsel. The Settlement negotiations have been, at all times, adversarial and non-collusive in nature. While Plaintiff believes in the merits of his case, he also recognizes the inherent risks of litigation and understands the benefit of the Class receiving settlement funds immediately as opposed to risking an unfavorable decision on class certification, summary judgment, at trial and/or the damages awarded, and/or on an appeal that can take several more years to litigate.

12. Based on the information informally produced by Defendant regarding the Class Period, Defendant employed approximately 35 current and former non-exempt employees over the course of approximately 5,000 workweeks who received an average rate of pay of $39.14/hour. Based on Class Counsel's and Plaintiff's expert witness's analysis of the data, the maximum exposure for Plaintiff's claims were as follows:

13. With regard to Plaintiff's Unpaid Wages, Plaintiff alleged that Defendant failed to pay Plaintiff and similarly situated employees all wages at the applicable minimum wage for all hours worked due to Defendant's policies, practices, and/or procedures including: (a) Requiring Plaintiff and similarly situated employees to don personal protective equipment ("PPE") prior to clocking in for the start of their shift and doff their PPE after clocking out for the end of their shift without being paid for that time and during meal breaks; (b)Requiring Plaintiff and similarly situated employees to keep their employer-issued walkie-talkies on their person and to always monitor them during their shift resulting in Plaintiff and similarly situated employees remaining on duty, including during their off-the-clock meal breaks; and (c) Requiring Plaintiff and similarly situated employees to work on restricted on-call/standby time while being required to respond to calls within 30 minutes, without Plaintiff and similarly situated employees being paid for that time on standby unless actually called in to work and not able to exchange duties with similarly situated employees because standby shifts were rotational.. To the extent that the foregoing unpaid time resulted from employees being subject to the control of Defendant when they worked more than eight (8) hours in a workday, more than forty (40) hours in a workweek, and/or seven days in a workweek, the employees should have been paid overtime wages. Therefore, Plaintiff estimated there were approximately $244,527.15 in

damages for unpaid minimum wages and overtime wages [Calculated as follows: 5,000 workweeks x 0.16666 hours off unpaid x $39.14 average hourly rate x 5 days x 1.5 overtime = $244,527.15].

14. With regard to Plaintiff's Meal Break Claim, Plaintiff alleged that Defendant employed policies, practices, and/or procedures that resulted in their failure to authorize or permit meal periods to Plaintiff and similarly situated employees of no less than thirty (30) minutes for each five-hour period of work as required by law. Such policies, practices, and/or procedures included, but were not limited to: (a) Discouraging off-premises meal breaks by requiring Plaintiff and similarly situated employees to don personal protective equipment ("PPE") and doff their PPE during meal breaks if they left Defendant' premises during their meal breaks; (b) Requiring Plaintiff and similarly situated employees to keep their employer-issued walkie-talkies on their person and to always monitor them during their shift resulting in Plaintiff and similarly situated employees remaining on duty during their off-the-clock meal breaks; and (c) Failing to provide Plaintiff and similarly situated employees timely, uninterrupted, duty-free meal breaks of at least 30 minutes for every five hours worked during on-call hours worked. The expert retained by Plaintiff estimated 22,101 unique meal break violations. Therefore, Plaintiff estimated there was a maximum of approximately $865,033.14 in damages for meal break violations. [Calculated as follows: 22,101 unique meal break violations x $39.14 average hourly rate = $865,033.14].

15. With regard to Plaintiff's Rest Break Claim, Plaintiff alleged that Defendant employed policies, practices, and/or procedures that resulted in their failure to authorize or permit all legally required and compliant rest periods to Plaintiff and similarly situated employees. Such policies, practices, and/or procedures included, but were not limited to: (a) Requiring Plaintiff and similarly situated employees to travel to a designated area away from their workstations during their rest periods and Defendant did not elongate or otherwise extend Plaintiff's or similarly situated employees' rest period times to account for travel time between their workstations and the designated break area resulting in rest periods less than a net 10-minutes; (b) Failing to provide Plaintiffs and similarly situated employees with net ten (10) minute rest breaks for every four (4) hours worked or major fraction thereof during on-call hours worked. The expert retained by Plaintiff

estimated a total of 24,517 rest break violations. Therefore, Plaintiff estimated there was a maximum of approximately $479,797.69 in damages for rest break violations. [Calculated as follows: 24,517 rest break violations x $39.14 average hourly rate = $959,595.38]. However, since rest breaks are not recorded in timesheets, extensive individualized inquiries and discovery would be required to both obtain class certification and prevail on the merits. As a consequence of the additional risk arising from the difficulty in obtaining class certification and prevailing on the merits of this claim, Plaintiff applied a 50% discount to the estimated maximum value representing a realistically discounted exposure of $479,797.69.

16. With regard to Plaintiff's Wage Statement claim, the maximum that Plaintiff could recover amounted to approximately $56,000.00 [35 employees X $4,000 maximum penalty = $140,000.00]. However, because of the difficulty of proving the nature of such violations, as well as Defendant's possible good faith defenses, Plaintiff applied a 60% reduction for the potential maximum damages, resulting in the maximum potential recovery to be estimated as $56,000.00.

17. With regard to Plaintiff's Waiting Time penalties claim, the maximum that Plaintiff could recover amounted to approximately $52,604.16 [14 former employees X 8 hours per workday X $39.14/hour average rate of pay X 30 days = $131,610.40]. However, because of the difficulty of proving the nature of such violations, as well as Defendant's possible good faith defenses, Plaintiff applied a 60% reduction for the potential maximum damages, resulting in the maximum potential recovery to be estimated as $52,604.16.

18. With regard to Plaintiffs' Unreimbursed Business Expenses, Plaintiffs contend that Defendant employed policies, practices, and/or procedures requiring Plaintiff and similarly situated employees to use or purchase their own tools and/or resources in order to work for Defendants, including but not limited to Defendant calling on-call employees on personal phones while they were working on-call for work-related purposes - without reimbursing Plaintiff and similarly situated employees for such use. Given the foregoing, the maximum that Plaintiffs could recover amounted to approximately $25,000.00 [Calculated as follows: 5,000 workweeks x $5 = $25,000.00.].

19. As such, Plaintiff's maximum potential recovery in this matter, excluding PAGA penalties, would amount to approximately $1,722,962.00. The settlement reached in this matter was $250,000.00, or approximately 14.5% of exposure.

20. Regarding the PAGA penalty exposure analysis, according to the data informally produced by Defendant in this case, during the relevant PAGA period (from March 29, 2024, through May 4, 2026), there are approximately 976 pay periods for approximately 29 aggrieved employees.

21. As an initial matter, where the penalties are governed by the 2024 amendment to PAGA, Plaintiffs do not use the highest penalties available under these amendments to estimate the maximum potential exposure of Defendant. These heightened penalties are only available where "(i) Within the five years preceding the alleged violation, the agency or any court issued a finding or determination to the employer that its policy or practice giving rise to the violation was unlawful" or "(ii) The court determines that the employer's conduct giving rise to the violation was malicious, fraudulent, or oppressive." Cal. Lab. Code §2699(2)(f). This mirrors the general requirement under California Law that recovery of punitive, exemplary, or heightened damages for civil claims require a showing that Defendant acted with malice, fraud or oppression. Civ. Code § 3294(c); See, e.g. Samantha B. v. Aurora Vista Del Mar, LLC (Cal. App. 2d Dist. Apr. 5, 2022), 77 Cal. App. 5th 85, 85; Silberg v. Cal. Life Ins. Co. (1974) 11 Cal.3d 452, 462 ("In order to justify an award of exemplary damages, the defendant must be guilty of oppression, fraud or malice")."Oppression" means despicable conduct that subjects a person to cruel and unjust hardship in conscious disregard of that person's rights. Civ. Code § 3294(c)(2) "Malice" means conduct which is intended by the defendant to cause injury to the plaintiff or despicable conduct which is carried on by the defendant with a willful and conscious disregard of the rights or safety of others. Civ. Code § 3294(c)(1).). Under the facts of this case, and the heightened burden of proving malice or oppression, Plaintiffs proceeded in evaluating Defendant's maximum exposure using the standard penalties available of $100 per Pay Period. [See Labor Code §2699(f)(2)(A)].

22. Additionally, in wage and hour class action cases that settle, which are the overwhelming majority of such cases, very little of the total settlement is paid to PAGA penalties in

order to maximize payments to class members. *See, e.g., Nordstrom Com. Cases*, 186 Cal. App. 4th 576, 589 (2010) (no abuse of discretion to approve class action settlement allocating $0 to PAGA claims); *Ceja-Corona v. CVS Pharm., Inc*., 2015 U.S. Dist. LEXIS 5118, 2015 WL 222500, at *2-3 (E.D. Cal. Jan. 14, 2015) (preliminarily approving $10,000 in PAGA penalties out of a total settlement amount of $900,000), report and recommendation adopted, 2015 U.S. Dist. LEXIS 25730, 2015 WL 925598 (E.D. Cal. Mar. 3, 2015); *Nen Thio v. Genji, LLC*, 14 F. Supp. 3d 1324, 1330 (N.D. Cal. 2014) (preliminarily approving $10,000 in PAGA penalties out of a total settlement amount of $1,250,000); *Franco v. Ruiz Food Prods*., 2012 U.S. Dist. LEXIS 169057, 2012 WL 5941801, at *14 (E.D. Cal. Nov. 27, 2012) (granting final approval of $10,000 in PAGA penalties out of a total settlement amount of $2,500,000); *Garcia v. Gordon Trucking, Inc*., 2012 U.S. Dist. LEXIS 160052, 2012 WL 5364575, at *3 (E.D. Cal. Oct. 31, 2012) (granting final approval of $10,000 in PAGA penalties out of a total settlement amount of $3,700,000); *Chu v. Wells Fargo Invs., LLC*, 2011 U.S. Dist. LEXIS 15821, 2011 WL 672645, at *1 al. Feb. 16, 2011) (granting final approval of $10,000 in PAGA penalties out of a total settlement amount of $6,900,000). In these settlements, the parties generally maximize statutory penalties and minimize PAGA penalties. *See, e.g., Franco*, 2012 U.S. Dist. LEXIS 169057, 2012 WL 5941801, at *2, *14 (approving a $10,000 PAGA award out of a total settlement amount of $2,500,000).

23. Plaintiff recognizes that PAGA claims generally settle for a mere fraction of multiple "stacked" PAGA penalties as is described above. Here, since the claims for minimum wages, overtime wages, meal periods, rest periods, wage statements, and waiting time penalties are all premised at least partially on the same factual basis (i.e., as Plaintiff contends, that Defendant required employees to don personal protective equipment ("PPE") prior to clocking in and doff their PPE after clocking out for the end of their shift and during meal breaks; required employees to keep their employer-issued walkie-talkies on their person and to always monitor them during their shift resulting in Plaintiff and similarly situated employees remaining on duty, including during their off-the-clock meal breaks; and requiring employees to work on restricted on-call/standby time while being required to respond to calls within 30 minute, and requiring employees to travel to a designated area away

from their workstations during their rest periods) stacking these penalties could arguably be overly punitive. Instead, seeking only penalties for minimum wages to account for the off-the-clock work, with the meal and rest period violations, results in far more reasonable and less punitive penalties that eliminate the "stacked" penalties for each Labor Code section violated as a result of the same conduct. As a result, Defendant could argue Plaintiff and the aggrieved employees may only be able to recover penalties under minimum wage claim, overtime wage, and meal and rest period violations. Thus, if Defendant is correct on the "stacking" issue, the maximum theoretical penalties would be substantially less under Defendant's view of the law.

24. Second, Plaintiff's calculation also assumes that Plaintiff's PAGA claims could be tried in a manageable manner that comports with due process, which Defendant vigorously disputes.

25. Third, the Court has discretion under PAGA to reduce the amount of any penalties awarded for equitable reasons.

26. Finally, Defendant would argue that PAGA penalties would be limited in any event. As discussed in detail above, Defendant denies any liability. Moreover, Defendant would argue that even if Plaintiff prevailed, the recoverable penalties under PAGA are minimal. Indeed, courts to consider the issue have refused to "stack" PAGA penalties. *See Carrington v. Starbucks Corporation* (Cal. Ct. App. Nov. 27, 2018) No. D072392 (published Dec. 19, 2018) (approving PAGA penalty reduction to $5 per pay period); *accord Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809. Moreover, Defendant would argue that Plaintiff is not entitled to recover PAGA penalties at the subsequent violation rate of $200 per pay period. California's appellate courts have held that "[u]ntil the employer has been notified that it is violating a Labor Code provision (whether or not the commissioner or court chooses to impose penalties), the employer cannot be presumed to be aware [of the violation]" and therefore, until a Court or the Commissioner issues a finding of a violation, the initial $100 violation rate applies for each pay period in which the alleged violation occurred. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209; *accord Amalgamated Transit Union Local 1309 v. Laidlaw Transit Service, Inc*. (S.D. Cal. Aug. 10, 2009) 2009 WL 2448430, at *9 ("[u]nder California law, courts have held that employers are not subject to

heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code"). Thus, Defendant would argue that even if the Plaintiff was able to establish any violation of the Labor Code, the PAGA penalties assessed for these violations will be computed at the $100 rate, as opposed to the $100 per pay period rate at maximum, and there is a likelihood that a further reduction of the penalty to $5 per pay period as approved in *Carrington* would apply given Defendant's compliance with the Labor Code as discussed above.

27. In sum, the settlement in the instant case provides for a gross settlement amount of $250,000, with a PAGA allocation of $15,000.00, with 65% ($9,750) payable to the LWDA and 35% ($5,250) distributed to the Aggrieved Employees, and falls squarely within the range of reasonableness for PAGA allocations outlined in the case law above.

28. Defendant maintains significant defenses to the above claims as follows: With respect to Plaintiff's claims for unpaid minimum wages, Defendant argued that employees were compensated for the time spent donning and doffing the PPE and travelling from location to location and therefore no minimum wage violation occurred. Regarding Plaintiff's overtime claims for failure to calculate the regular rate of pay, Defendant argued that it properly paid all overtime wages owed at the proper rate. Regarding meal periods, Defendant argued that it provided 30-minute uninterrupted, off-duty meal periods, while also compensating employees for time spent on off-duty meal periods (and counting that time towards overtime hours worked), thus employees' time spent traveling to other physically nearby locations for meals was treated as compensable time and also did not negate the duty-free nature of their breaks. Defendant further argued that many employees entered into on-duty meal period agreements and/or meal period waivers, and Defendant provided meal periods consistent with those agreements and waivers per the applicable law. Defendant also contends it had compliant meal period policies that were issued to all Class Members. With respect to Plaintiff's rest period claim, Defendant contends that it provided compliant written rest period policies, and therefore Plaintiff and the Class were on notice of their right to take rest periods and, in fact, they took their rest periods. With respect to Plaintiff's expense

reimbursement claims, Defendant argues that it provided employee with tools to do the job (including work phones that obviated the need to use personal cell phones) and compensated employees for all expenses Defendant knew or should have known about (including via a stipend for known expenses, like work shoes and eye protectants). With respect to Plaintiff's wage statement claim, Defendant contends any alleged wage statement violations could not be shown to be "knowing and intentional" given their good-faith defenses, and that Plaintiff cannot show that she or other employees "suffer[ed] injury," as required by Labor Code § 226(e). Defendant also argued that wage statements always accurately reflected hours worked and amounts paid to employees. With respect to Plaintiff's final pay claims, Defendant argued that they fail along with the underlying Labor Code claims and, regardless, there is no evidence that any failure to provide final pay (if any) was "willful." In summary, Defendant argued and continues to argue that no violations occurred, that Class Members suffered no "injury," =that any alleged violations were not "knowing and intentional" or "willful." Based on the foregoing, Defendant concluded, Plaintiff and Class Members were paid out upon separation of employment for all wages owed, and that Defendant believed, in good faith, that it was properly paying all wages to separating employees. In other words, Defendant concluded, Plaintiff would not be able to establish the willful elements of their Labor Code sections 226 or 203 claims. Moreover, Defendant submits that Plaintiff's claims are noncertifiable because of the individual inquiries that would be required regarding his claims. For these reasons, Defendant concluded, Plaintiff would not likely prevail on his claims, including his derivative UCL and PAGA claims.

29. If Plaintiff continued litigating this matter, the class members could potentially receive **nothing** if the court agreed with Defendant's position, or if Defendant was able to defeat certification based on the individual inquiries that would be required regarding Plaintiff's off-the-clock claims, meal and rest claims, and other claims. Furthermore, even if the Court agreed with Plaintiff, Plaintiff still had to prove Defendant faced exposure under Plaintiff's derivative claims and acted intentionally and *willfully* in order to receive the additional penalties under Labor Code Sections 203, 204, and 226. As such, Plaintiff's decision to settle this matter was in the best interest of the Class Members.

30. This is a fair and reasonable result. Other substantial benefits also include that it is a non-reversionary, non-claims-made settlement, which distributes the Net Settlement Amount on a pro rata basis based on the number of Workweeks each Participating Class Member worked for Defendant during the Class Period. (Settlement, §3.3.4.) The 35% portion of the PAGA Settlement Amount allocated to Aggrieved Employees will be distributed to each Aggrieved Employee who worked during the PAGA Period based on their individual number of PAGA Period Pay Periods during the PAGA Period. (Settlement, §3.3.5.) Settlement Class Members will have one hundred eighty (180) days to cash their checks. Any funds not distributed after the expiration of the Individual Class Payment checks shall escheat to the California Controller's Unclaimed Property Fund in the name of the Class Member. (Settlement, § 4.10.)

EXPERIENCE OF CLASS COUNSEL:

31. The attorneys at our office are experienced and qualified to evaluate the class claims and to evaluate settlement versus trial on a fully informed basis, and to evaluate the viability of the defenses. The partner of the firm who was lead counsel on this matter, Mr. Joseph Lavi, has been practicing law for over 20 years. Mr. Granberry is a graduate of Arizona State University Sandra Day O'Connor College of Law. I am a graduate of Loyola Law School and have been practicing law since December 2024. Mr. Lavi, myself, and the other members of my firm, have almost exclusively practiced in the area of labor and employment law. Mr. Lavi has handled numerous cases in all aspects of employment and labor law, including state and federal class actions, including wrongful termination, retaliation, and harassment actions. Mr. Granberry has been in practice with the law firm of Lavi & Ebrahimian, LLP since April 2014. Super Lawyers Magazine has selected him as a Southern California Rising Star in 2016 through 2024 in the area of Plaintiff's employment litigation and as one of the Up-and-Coming 100 attorneys in my field in 2018 and again from 2020 - 2024. He has been involved in numerous cases in all aspects from trial through trial and appeal, including California and Federal class actions, wrongful termination, discrimination, harassment and retaliation cases. Mr. Lavi has tried both labor and employment cases in State and Federal court, and has argued before various Court of Appeals, on employment issues such as validity of Arbitration Agreements,

Application of Res Judicata in class action cases as well as other employment issues. Mr. Lavi has also been a panelist and/or speaker for various Employment Law Continuing Legal Education Panels on issues of employment law trials, how to proceed and conduct trials as well as proving and winning punitive damages. Mr. Lavi has also been named a Southern California Super Lawyer in the area of Plaintiff's employment litigation- class action from 2011-2022. Mr. Lavi has been approved as class counsel by both federal and state Courts. Mr. Lavi, myself, and the other attorneys at Lavi & Ebrahimian who are available to assist us in this case if needed are fully capable of adequately and fairly representing Plaintiffs and the proposed class in this matter. Lavi & Ebrahimian, LLP, has been appointed Class Counsel in over fifty contested proceedings including the following:

a. *Ischak v. Kaiser Foundation Hospitals, Inc.*, Los Angeles Superior Court Case No. BC343535;

b. *Santana v. El Pollo Loco, Inc.*, Los Angeles Superior Court Case No. BC369846;

c. *Edlin, et al. v. Fuddruckers, Inc.,* United States District Court, Central District of California, Case No. CV-07-3678-ABC;

d. *Chavez, et al. vs. CEC Entertainment, Inc. d/b/a Chukee-Cheeses,* Los Angeles Superior Court Case No. BC380996;

e. *Bustamante, et al. v. Teamone Employment Specialists*, Los Angeles Superior Court Case No. BC383266;

f. *Cervantes, et al. v. Kaiser Foundation Hospitals, Inc.*, Alameda Superior Court Case No. RG 0265835;

g. *Seng Savang v. Club One Casino*; Fresno Superior Court Case No. 05CECG02189;

h. *Norman, et al. v. Movado Retail Group, Inc.,* United States District Court, Central District of California, Case No. CV08-06691 SVW (PLA);

i. *Shand v. G.A.L.A., Inc. dba Giorgio Armani*, Los Angeles Superior Court Case No. BC342588;

g. *Solis v. Plycraft Industries, Inc.*, Los Angeles Superior Court Case No. BC374816;

h. *Campos v. HWB Carwash, Inc.*, Los Angeles Superior Court Case No. BC378990;

i. *Acosta, et al. v. Texwood Industries*, United States District Court, Central District of California, Case No. CV07-3237-DDP (PLAX);

h. *Arevalo v. Gruma Corporation*, Los Angeles Superior Court Case No. BC410322;

j. *Burrola v. American Promotional Events*, Los Angeles Superior Court Case No. BC412315;

k. *Cortez v. Trader Distribution Services*, Los Angeles Superior Court Case No. BC397208;

l. *Cueva v. Allied Industries, Inc.*, Los Angeles Superior Court Case No. BC399431;

m. *Del Toro v. Petco Animal Supplies, Inc.*, San Diego Superior Court Case No. 37-2009-00103626-CU-OE-CTL;

n. *Garcia v. Home Cooking, Inc.*, Los Angeles Superior Court Case No. BC451148;

o. *Alcantar v. Amerimax Building Products, Inc.*, United States District Court, Central District of California, Case No. CV 10-8916 DDP (CWx);

p. *Arancivias v. Clougherty Packaging, LLC dba Farmer John*, Los Angeles Superior Court Case No. BC432406;

q. *Barajas v. Menzies Aviation, Inc.,* United States District Court, Central District of California, Case No CV-10-02315-JEM;

r. *Barrera v. BHFC Operating, LLC dba Bottega Louie*, Los Angeles Superior Court Case No. BC462603;

s. *Camacho v. American Textile Maintenance Co.*, Los Angeles Superior

Court Case No. BC452570;

t. *Cortes v. Monsanto Company*, Ventura Superior Court Case No. 56-2010-00366952-CU-OE-VTA;

u. *Escobar v. Aero-Electric Connector, Inc.*, Los Angeles Superior Court Case No. BC421009;

v. *Gomez v. Bacara Resort & Spa*, Santa Barbara Superior Court Case No. 1341987;

w. *Gonzalez v. Ashley Furniture Industries, Inc.*, Los Angeles Superior Court Case No. BC425708;

x. *Gonzalez v. Burrtec Waste Industries, Inc.*, Los Angeles Superior Court Case No. BC436879;

y. *Gutierrez v. Visterra Credit Union*, Riverside Superior Court Case No. RIC10020183;

z. *Hernandez v. Kruse & Son, Inc.*, Los Angeles Superior Court Case No. BC411849;

aa. *Lopez v. Tecno Industrial Engineering*, Los Angeles Superior Court Case No. BC411134;

bb. *Lowanga v. Continental Currency Services, Inc*., Orange County Superior Court Case No. 30-2011-0044011-CU-OE-CXC;

cc. *Aguilar v. PLS Financial Services, Inc.,* United States District Court, Central District of California, Case No. CV 10-0415 ODW (FMOx)

dd. *Lozada v. Classic Party Rentals, Inc.*, Los Angeles Superior Court Case No. BC443792;

ee. *Madrid v. OPI Products, Inc.*, Los Angeles Superior Court Case No. BC451489;

ff. *Martinez v. J. Fletcher Creamer & Son, Inc.*, United States District Court Case No. CV 10-0968-PSG-FMOX;

gg. *Martinez v. Administaff Companies II, L.P.*, Los Angeles Superior Court Case No. BC425799;

hh. *Martinez v. Morgans Hotel Group Management, LLC*, Los Angeles Superior Court Case No. BC446744;

jj. *Sanchez v. La Brea Bakery, Inc.*, Los Angeles Superior Court Case No. BC456420;

ii. *Montenegro v. Ruggeri Marble and Granite, Inc.*, United States District Court, Central District of California, Case No. CV-10-00711 JFW (PLAx);

kk. *Reed v. 99 Cents Only Stores,* Los Angeles Superior Court Case No. BC436793;

ll. *Santos v. Noble Management Group-California, LLC*, United States District Court, Central District of California, Case No. CV 10-2594 DSF (VBKx)

mm. *Taylor v. U.S. Healthworks Holding Company, Inc.*, Orange County Superior Court Case No. 30-2011-00473505;

nn. *Valencia Diaz v. Gene Wheeler Farms, Inc.*, Los Angeles Superior Court Case No. BC436235;

oo. *Zad-Behtooie v. Valley Village,* Los Angeles Superior Court Case No. BC451490;

pp. *Bell v. Aidells Sausage Company, Inc.*, Alameda Superior Court Case No. RG10523946;

qq. *Negrete v. Cenveo, Inc.*, United States District Court, Central District of California, Case No. CV 11-09543 DSF (MRWx);

rr. *Bejar v. Exopack-Ontario, Inc.*, Orange County Superior Court Case No. 30-2011-00518396-CU-OE-CXC;

ss. *Aguilar v. PLS Financial Services, Inc.*, United States District Court, Central District of California, Case No. CV 10-0415 ODW (FMOx);

tt. *Sparks v. Larry Flynt dba Hustler Casino*, Los Angeles Superior Court Case

No. BC320172;

uu. *Morris v. Chevron Stations, Inc.*, Los Angeles Superior Court Case No. BC361380;

vv. *Marino v. BP West Coast Products, LLC*, Los Angeles Superior Court Case No. BC357987.

32. Mr. Lavi, I, and the other attorneys at the firm made every effort to litigate this action in an efficient and cost-effective manner. Given his years of experience, his trial and appellate experience, and the focus of his practice, if Mr. Lavi were to charge for his type of work by the hour, his current hourly rate would be $1,000 per hour. Given his years of experience, if Mr. Granberry were to charge for his type of work by the hour, his current hourly rate would be $750 per hour. My hourly rate would be $675 per hour. This rate is the firm's current billing rate and is supported by the extensive and specialized experience in these types of cases and recognized expertise described. I have personal knowledge of the hourly rates charged by other attorneys with comparable experience to both Mr. Lavi's and mine. Based on that information, I believe that my rates are fully consistent with the market rate for attorneys with comparable expertise, experience, and qualifications. Based on the information I have, I believe that our rates are reasonable and appropriate fees for Los Angeles attorneys with comparable expertise, experience, and qualifications.

33. The specific work performed by my firm in prosecuting this action has included, but not been limited to: preparing the pleadings; reviewing extensive informal discovery exchange; reviewing documents; analyzing the data; participating in settlement negotiations; participating in a full-day mediation; negotiating, drafting, and reviewing the settlement agreement as well as drafting the Motion for Preliminary Approval.

34. Our firm maintains all records regarding costs expended on each case. I have reviewed the records of costs expended in this matter. According to our records, our firm has incurred significant costs (including the mediation fee collectively over $13,000.00) in this matter at this time and will likely incur additional costs to see this matter through final judgment. This amount includes

costs associated with the costs associated with filing the papers filed and responded to in this matter, service of process for the summons and complaint, and the mediation fee.

35. Moreover, proposed class counsel is adequate to represent the class for settlement purposes and has been appointed as class counsel before by this Court as well as both State and Federal Courts.

CONTRIBUTION OF PLAINTIFF AND REASONABLENESS OF THE REQUESTED CLASS REPRESENTATIVE SERVICE PAYMENT:

36. It is imperative that Plaintiff obtain just compensation for the time, effort, and risk associated with his fiduciary duties as a class representative and named Plaintiff. I believe that the named Plaintiff performed considerable services on behalf of the Class, since he searched for an attorney, collected and gathered the requested documents and information, wage statements and/or pay stubs, met with us, made himself available each and every single time that I called him in order to answer questions about Defendant's policies and procedures produced in formal and informal discovery or discussed during conversations with opposing counsel or raised in pleadings filed in this matter. The named Plaintiff provided Class Counsel with factual information needed to prepare the complaints. He collected relevant documents and produced those documents to Class Counsel. He continued to be engaged in continued settlement negotiations that were ultimately required to reach a settlement in this case. I believe that the service award request of $7,500 to Plaintiff ("Class Representative Service Payment") as a service award is fair and reasonable. As such, the requested payment is warranted for his time and effort when the class members are able to receive significant benefits for his efforts, as well as the fact that he put himself at significant risk for liability for costs in this matter if Defendant were the prevailing party in the litigation, as well as for retaliation by other employers who may discover and find it to be unappealing that he was class representative in a lawsuit against Defendant, his former employers. At this point in the approval process, Plaintiff's requested payment should be approved and allow the Class Members an opportunity to object to the requested Class Representative Service Payment.

37. A true and correct copy of the Class and PAGA Action Settlement Agreement ("Settlement" or "Settlement Agreement") is hereto attached as **Exhibit "1."**

38. A true and correct copy of the Class Notice and related documents is hereto attached as **Exhibit "2."**

39. A true and correct copy of the PAGA Notice letter is hereto attached as **Exhibit "3."**

40. On October 2, 2026, a copy of the Settlement and the motion papers were submitted via online submission to the LWDA. A true and correct copy of the LWDA's email confirmation of my upload of the Settlement is hereto attached as **Exhibit "4."**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 2nd day of October, 2026, at Beverly Hills, California.

/s/Paolo Policastro
Paolo Policastro

EXHIBIT 1

Vinesign Document ID: A73DE3A8-09E0-40FE-A2F9-D25AE6F9E720

LAVI & EBRAHIMIAN, LLP.
Joseph Lavi, Esq. (SBN 209776)
Vincent C. Granberry, Esq. (SBN 276483)
Jeffrey D. Klein, Esq. (SBN 297296)
Paolo Policastro (SBN 359731)
8889 W. Olympic Blvd, Suite #200
Beverly Hills, California 90211
Telephone: (310) 432-0000
Facsimile: (310) 432-0000
ppolicastro@lelawfirm.com

Attorney for Plaintiff
SIMON RIVERA, on behalf of himself and others similarly situated

MORGAN, LEWIS & BOCKIUS LLP
Max Fischer, Bar No. 226003
Sheryl Horwitz, Bar No. 229115
Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, CA 90071-3132
Tel: +1.213.612.2500
Fax: +1.213.612.2501
max.fischer@morganlewis.com
sheryl.horwitz@morganlewis.com

Attorneys for Defendant
STEPAN COMPANY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

SIMON RIVERA, on behalf of himself and others similarly situated,

Plaintiff,

vs.

STEPAN COMPANY; and DOES 1 through 100, inclusive,

Defendants.

Case No. 30-2025-01470277-CU-OE-CXC

STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

The signed document can be validated at https://app.vinesign.com/Verify

This Stipulation of Settlement ("Stipulation" or "Settlement") is made and entered into, as of the date set forth below, between Plaintiff Simon Rivera, as an individual, as a representative of the proposed Class described herein and as representative of the State of California ("Plaintiff"), and Defendant Stepan Company, ("Defendant"), who are parties to the above-captioned litigation (together, the "Parties").

1. **DEFINITIONS**

1.1 "Actions" means, collectively, the civil lawsuits entitled *Simon Rivera vs. Stepan Company*, Orange County Superior Court Case No. 30-2025-01470277-CU-OE-CXC (the "Class Action") and *Simon Rivera vs. Stepan Company*, Orange County Superior Court Case No. 30-2025-01487296-CU-OE-CXC (the "PAGA Action").

1.2 "Aggrieved Employees" or "PAGA Members" means and refers to all current and former non-exempt employees employed by Defendant in California during the PAGA Period.

1.3 "Class Counsel" means Lavi & Ebrahimian, LLP.

1.4 "Class Data" means a confidential spreadsheet that includes, for each Settlement Class Member, their name, last known address, social security number, and number of Eligible Workweeks and Eligible Pay Periods or data sufficient for the Settlement Administrator to determine Eligible Workweeks and Eligible Pay Periods. The Class Data shall be based on Defendant's personnel and payroll records and provided in a format acceptable to the Settlement Administrator.

1.5 "Class Members," "Settlement Class Members," or "Settlement Class" means and refers to all current and former non-exempt employees employed by Defendant in California during the Class Period.

1.6 "Class Period" means the time period from March 24, 2021, through May 4, 2026, subject to section 3.2.2 below.

1.7 "Class Representative" or "Plaintiff" means Plaintiff Simon Rivera.

1.8 "Class Representative's Released Claims" means any and all claims, obligations, demands, actions, rights, causes of action, and liabilities against the Released Parties, of whatever

kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated, including all unknown claims covered by California Civil Code Section 1542, by the Class Representative, arising at any time up to and including the date on which the Court enters the Order of Final Approval, for any type of relief, including without limitation claims for wages, premium and other forms of pay, unpaid/unreimbursed costs, penalties (including waiting time penalties), general damages, compensatory damages, liquidated damages, punitive damages, interest, attorneys' fees, litigation and other costs, expenses, restitution, and equitable and declaratory relief. The Class Representative's Released Claims also include, but are not limited to, the Released Claims as well as any other claims under any provision of the Fair Labor Standards Act ("FLSA"), the California Labor Code, any applicable California Industrial Welfare Commission Wage Orders, any city or county Living Wage Ordinances, and claims under state or federal discrimination statutes, including, without limitation, the California Government Code; the Unruh Civil Rights Act, California Civil Code; the California Constitution; the California Business and Professions Code, including but not limited to Sections 17200 *et seq.*; the United States Constitution; the Age Discrimination in Employment Act ("ADEA") and the Older Workers Benefit Protection Act; the Uniformed Services Employment and Reemployment Rights Act, Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*; the Civil Rights Act of 1991; the Family and Medical Leave Act, to the extent not prohibited by law; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq.*; the Equal Pay Act; the Fair Credit Reporting Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Sarbanes-Oxley Act of 2002; the California Family Rights Act; and all of their implementing regulations and interpretive guidelines; any and all claims for monetary recovery and personal or individual relief, except as prohibited by law; and any premiums, penalties, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or

accounting based on any of the foregoing claims. For the avoidance of doubt, this is a complete and general release to the maximum extent by law. Notwithstanding the foregoing, the release of the Class Representative's Released Claims do not include any claim or right that is not waivable as a matter of law.

1.9 "Court" means the Orange County Superior Court.

1.10 "Defendant's Counsel" means Max Fischer and Sheryl Horwitz of Morgan, Lewis & Bockius LLP.

1.11 "Effective Date" means the latest of: (i) sixty-five (65) days after the Court issues the "Final Approval Order" granting approval of the settlement if no objections to the settlement are filed; (ii) if an appeal is filed and is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the Court of Appeal's decision passes and no further review is requested; (iii) if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the Court of Appeal's decision is requested, the day after the request for review is denied with prejudice and/or no further review of the order can be requested; or (iv) if review is accepted, the day after the California Supreme Court affirms the judgment or order approving the settlement.

1.12 "Eligible Workweeks" shall mean any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

1.13 "Eligible Pay Periods" shall any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.14 "Class Representative Service Payment" means the amount approved by the Court to be paid to the Class Representative, in recognition of his efforts in coming forward as Class Representative and as consideration for a full, general, and comprehensive release of the Class Representative's Released Claims, which shall be in addition to his portion of the Net Settlement Amount.

1.15 "Final Approval Date" means the date on which the Court enters the Order of Final Approval.

1.16 "Final Approval Hearing" means a hearing set by the Court, to take place on a date established by the Court, for the purpose of (i) determining the fairness, adequacy, and reasonableness of the Stipulation terms and associated Settlement pursuant to class action procedures and requirements; (ii) determining the amount of the award of attorneys' fees and costs to Class Counsel; (iii) determining the amounts of the Class Representative Service Payment to the Class Representative; and (iv) entering the Judgment.

1.17 "Gross Settlement Amount" shall mean the amount that Defendant will pay in settlement of this matter, subject to section 3.2.2 below. The Gross Settlement Amount includes all awards of attorneys' fees and costs to Class Counsel, Settlement Administration Costs, the Class Representative Service Payment, the PAGA Settlement Payment (paid to the PAGA Members and the LWDA), and payments to the Participating Class Members.

1.18 "Individual PAGA Payment" means the individual amounts paid from the PAGA Payment to the individual PAGA Members for settlement of claims for civil penalties under PAGA.

1.19 "Individual Class Payment" means the settlement amount due each Participating Class Member from the Net Settlement Amount.

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

1.21 "LWDA PAGA Payment" means the payment to the LWDA from the PAGA Payment for settlement of claims for civil penalties under PAGA.

1.22 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel's attorneys' fees and costs, Class Representative Service Payment, and Settlement Administration Costs. The remainder is to be paid to Participating Class Members as Individual Class Payments. Fees and amounts not approved by the Court will become part of the Net Settlement Amount and will not affect settlement approval.

1.23 "Notice of Settlement" means the document provided to Settlement Class Members to notify them of the settlement, a copy of which is attached hereto as **Exhibit 1**.

1.24 "Operative Complaint" means the First Amended Complaint that will be filed in the Action consolidating the Class Action and PAGA Action, including all predicate violations to the PAGA claims. The Parties will stipulate to the filing of the First Amended Complaint for settlement purposes only after review and reasonable comment by Defendant.

1.25 "PAGA Payment" means the payment in settlement of all claims for PAGA penalties, 65% of which will be distributed as the LWDA PAGA Payment and 35% of which will be distributed as Individual PAGA Payments to the PAGA Members.

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

1.27 "PAGA Period" means the period from March 29, 2024, through May 4, 2026.

1.28 "Participating Class Members" or "Participating Settlement Class Member" means the Settlement Class Members who do not timely request to be excluded from the class portion of the settlement. No claim form is required for a Settlement Class Member to become a Participating Class Member.

1.29 "Preliminary Approval Date" means the date the Court enters the Order preliminary approving the Stipulation of Settlement and setting the Final Approval Hearing.

1.30 "Qualified Settlement Fund" means the Qualified Settlement Fund ("QSF") created under Internal Revenue Code Section 468B, to be overseen by the Settlement Administrator.

1.31 "Released Class Claims" means all claims that were alleged in the Operative Complaint, or that reasonably could have been alleged based upon the facts and claims stated in the Operative Complaint, including claims for: (1) failure to pay wages for all hours worked at minimum wage in violation of Labor Code Sections 1194 and 1197, (2) failure to pay overtime wages and/or failure to pay overtime wages at the proper overtime rate of pay in violation of Labor Code Sections 510 and 1194, (3) failure to authorize or permit meal periods in violation of

Labor Code Sections 512 and 226.7, (4) failure to authorize or permit rest periods in violation of Labor Code Section 226.7, (5) failure to pay wages for accrued paid sick days at the regular rate of pay in violation of Labor Code Section 246; (6) failure to indemnify employees for employment-related losses and expenditures in violation of Labor Code Section 2802, (7) secret payment of lower wages in violation of Labor Code Section 223, (8) failure to provide complete and accurate wage statements in violation of Labor Code Section 226, (9) failure to timely pay earned wages during employment in violation of Labor Code Section 204, (10) failure to timely pay all earned wages and final paychecks due at the time of separation of employment in violation of Labor Code Sections 201, 202, and 203, (11) unfair business practices in violation of Business and Professional Code Sections 17200, et seq, and (12) any claims under and/or predicated on violations of California Labor Code §§ 1194, 1197, 512, 226.7, 2802, 226, 201, 202, and 203, 204, 223, 225.5, 226, 226.3, 226.7, 246, 510, 512, 558, 1194, 1197, 1198, 2802, the applicable Wage Orders, the Fair Labor Standards Act, the Fair Labor Standards Act, and Business and Professions Code Sections 172900, et seq. The time period governing the Released Class Claims shall be the Class Period.

1.32 "Released PAGA Claims" means the PAGA claims alleged in the Operative Complaint, or that reasonably could have been alleged based on the facts and claims stated in the Operative Complaint and in the relevant LWDA notice letters, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay wages for all hours worked at minimum wage in violation of Labor Code Sections 1194 and 1197, (2) failure to pay overtime wages and/or failure to pay overtime wages at the proper overtime rate of pay in violation of Labor Code Sections 510 and 1194, (3) failure to authorize or permit meal periods in violation of Labor Code Sections 512 and 226.7, (4) failure to authorize or permit rest periods in violation of Labor Code Section 226.7, (5) failure to pay wages for accrued paid sick days at the regular rate of pay in violation of Labor Code Section 246; (6) failure to indemnify employees for employment-related losses and expenditures in violation of Labor Code Section 2802, (7) secret payment of lower wages in violation of Labor Code Section 223, (8) failure to provide complete and accurate wage

statements in violation of Labor Code Section 226, (9) failure to timely pay earned wages during employment in violation of Labor Code Section 204, (10) failure to timely pay all earned wages and final paychecks due at the time of separation of employment in violation of Labor Code Sections 201, 202, and 203, (11) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged in the LWDA notice letters and Operative Complaint, and (12) any claims under and/or predicated on violations of California Labor Code §§ 1194, 1197, 512, 226.7, 2802, 226, 201, 202, and 203, 204, 223, 225.5, 226, 226.3, 226.7, 246, 510, 512, 558, 1194, 1197, 1198, 2698, et seq., 2802, and the applicable Wage Orders including, but not limited to, the applicable Wage Orders, the Fair Labor Standards Act, or Business and Professions Code Sections 172900, et seq. The time period governing the PAGA Released Claims shall be the PAGA Period. The PAGA Released Claims do not release any Aggrieved Employees' claims for wages or statutory penalties.

1.33 "Released Parties" means Defendant and all affiliated parties and entities (including their past and present affiliates, parents, subsidiaries, predecessors, owners, successors, shareholders, divisions, and each of these entities' past and present directors, officers, managing agents, employees, partners, benefit plans, shareholders, and representatives.

1.34 "Response Deadline" means sixty (60) days after the Settlement Administrator mails the Notice of Settlement to Settlement Class Members. It shall be the last date on which Settlement Class Members may: (a) postmark any Opt-Out Request from the class portion of the Settlement, (b) postmark any written objection to the Settlement, and (c) postmark any Eligible Workweek or Eligible Pay Period Dispute. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator will have an additional 14 calendar days beyond the Response Deadline.

1.35 "Settlement Administration Costs" means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement in accordance with the Settlement Administrator's responsibilities outlined in this Stipulation.

1.36 "Settlement Administrator" means Phoenix Class Action Administration Solutions ("Phoenix"), who shall be responsible for the administration of the Settlement, distribution of any amounts owed under this Settlement, and matters necessarily related thereto, pursuant to the terms of this Settlement, and subject to appointment by the Court.

2. RECITALS

2.1 Background and Procedural History

2.1.1 Plaintiff Simon Rivera filed the Class Action in Superior Court in Orange County on March 24, 2025. In his operative Complaint, he alleged causes of action for (1) failure to pay wages for all hours worked at minimum wage in violation of Labor Code Sections 1194 and 1197; (2) failure to authorize or permit meal periods in violation of Labor Code Sections 512 and 226.7; (3) Failure to Authorize or Permit Rest Periods in Violation of Labor Code Section 226.7; (4) Failure to Indemnify Employees for Employment-Related Losses/Expenditures in Violation of Labor Code Section 2802; (5) Failure to Provide Complete and Accurate Wage Statements in Violation of Labor Code Section 226; (6) Failure to Timely Pay All Earned Wages and Final Paychecks Due at Time of Separation of Employment in Violation of Labor Code Sections 201, 202, and 203; (7) Unfair Business Practices in Violation of Business and Professions Code Sections 17200, Et Seq. Plaintiff sought to represent a class composed of several subclasses of current and former hourly non-exempt California employees.

2.1.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice. Plaintiff will provide the LWDA with timely notice of this settlement.

2.1.3 On June 2, 2025, Plaintiff filed the PAGA Action, asserting claims for civil penalties under PAGA based on the same underlying allegations as the Class Action.

2.1.4 After exchanging documents, the Parties entered arms-length negotiations to reach a settlement in principle. On January 13, 2026, the Parties attended a confidential

mediation. Following mediation, the Parties entered into a Memorandum of Understanding to memorialize this settlement, which was fully executed on April 10, 2026.

2.1.5 Pursuant to the Settlement Plaintiff shall file a First Amended Complaint in the incorporating the stand-alone PAGA claim in the PAGA Action. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.2 **Benefits of Settlement**

2.2.1 Based on their own independent investigations and evaluations, Class Counsel is of the opinion that the Settlement with Defendant for the consideration and terms set forth herein, considering the representative and class claims, and the risk of loss, is fair, reasonable, and adequate in light of all known facts and circumstances, and is in the best interests of the Settlement Class. Class Counsel is also of the opinion that the total consideration and payment set forth in this Stipulation of Settlement is adequate in light of the uncertainties surrounding the risk of further litigation, the possibility of losing class certification, that the PAGA claim could be deemed unmanageable, and the defenses that Defendant has asserted and/or could assert as to the substantive merit of the claims.

2.2.2 Class Counsel has weighed the monetary benefit under the Settlement to the Settlement Class against the expenses and length of continued proceedings that would be necessary to prosecute the Action against Defendant through class certification, through manageability motions, summary judgment, trial and possible appeals. Class Counsel has also taken into account the uncertain outcome and risk of any litigation, especially in complex actions such as class and representative actions, as well as the difficulties and delay inherent in such litigation. As a result, Class Counsel has determined that the settlement set forth in this Stipulation of Settlement is in the best interests of the Settlement Class.

2.2.3 Defendant and the Released Parties specifically and generally deny any and all liability or wrongdoing of any sort with regard to the claims alleged, make no concessions or admissions of liability of any sort, and contend that for any purpose other than Settlement, the Action is not appropriate for class or representative action treatment. Nonetheless, Defendant has concluded that further conduct of the Action would be protracted, distracting, and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Defendant has also taken into account the uncertainty and risks inherent in any litigation. Defendant has therefore determined that it is desirable and beneficial to it to settle the Action in the manner and upon the terms and conditions set forth in this Stipulation.

2.2.4 Neither this Stipulation of Settlement, nor any document referred to in it, nor any actions taken pursuant to this Stipulation of Settlement, is or should be construed as an admission by Defendant of any fault, wrongdoing, or liability whatsoever. Nor should the Stipulation of Settlement be construed as an admission that Plaintiff could meet any of the class action requirements or that any PAGA claim would be manageable. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant, as to whether a class action should be certified, or that any PAGA claim is manageable.

3. SETTLEMENT TERMS

3.1 **Conditional Class Certification.** The Parties stipulate, for settlement purposes only, to the certification by the Court of the Settlement Class. If, for any reason, the Court does not approve this Stipulation, fails to enter the Judgment, or if this Stipulation is terminated for any other reason, the Settlement Class will be decertified and Defendant shall, and hereby does, retain the right to dispute the appropriateness of class certification.

3.2 **Gross Settlement Amount**

3.2.1 Gross Settlement Amount: Defendant shall pay a non-reversionary amount not to exceed Two Hundred and Fifty Thousand Dollars and Zero Cents ($250,000) as the Gross Settlement Amount to resolve the Action on a class and representative basis, subject to section

3.2.2. The Gross Settlement Amount shall be used to pay, as approved by the Court, Class Counsel's attorneys' fees and costs, Class Representative Service Payment, Settlement Administration Costs; the PAGA Payment to the LWDA and the PAGA Members, and the Individual Class Payments to the Participating Class Members. Notwithstanding the foregoing, in addition to the Gross Settlement Amount, Defendant will pay the employer's portion of payroll taxes, including FICA and FUTA, on the portion of each Individual Class Payment allocated as unpaid wages.

3.2.2 Escalation of Gross Settlement Amount: Defendant identified approximately 35 Class Members and 5,000 total Workweeks during the Class Period, and 29 Aggrieved Employees who worked 976 PAGA Pay Periods during the PAGA Period. In the event that the actual number of workweeks in the Class Period exceeds 5,000 by more than 10% (*i.e.*, more than 5500 total workweeks), then at Defendant's option in its sole discretion, either (a) the Gross Settlement Amount shall increase by the same number of percentage points above 10% the actual number of workweeks exceeds the 5,500 estimate (*e.g.*, if the actual workweeks during the Class Period are 11% greater than the estimated number of workweeks, then the Gross Settlement Amount increases by 1%); or (b) the Class Period shall end one day before the ten percent (10%) cushion is exhausted, provided it cannot be earlier than the mediation date. If the escalator provision is triggered and elected, the Parties agree that the portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the Gross Settlement Amount after the upward adjustment required by this provision is implemented.

3.2.2.1 No later than five court days prior to Plaintiff's hearing date for the Motion for Preliminary Approval, Defendant shall, by and through its counsel, file a declaration informing the Court (1) whether or not the Escalator Clause has been triggered; (2) the option Defendant will select; and (3) in the event that the cut-short option is selected, the class and PAGA periods, as adjusted.

3.3 **Allocation of Gross Settlement Amount**

3.3.1 Class Representative Class Representative Service Payment: The Class Representative Service Payment, which is in addition to the Class Representative's Individual Class Payment from the Net Settlement Amount and Individual PAGA Payment, will, subject to Court approval, be paid out of the Gross Settlement Amount and will not exceed $7,500 for his service and assistance to the Class. Defendant will not oppose Plaintiff's request for a service award up to $7,500.00. Any amount of the Class Representative Service Payment that is not awarded by the Court shall be added to the Net Settlement Amount.

3.3.2 Attorneys' Fees and Costs: Class Counsel may apply to the Court for an award of reasonable attorneys' fees not to exceed one third of the Gross Settlement Amount, $83,333.33 and will seek an award of costs for reimbursement of Class Counsel's reasonable out-of-pocket costs incurred in the Action not to exceed $20,000.00, to be paid out of the Gross Settlement Amount. Defendant reserves the right to challenge Class Counsel's request for fees and costs if the requests exceed the parameters established by this Stipulation. The Settlement Administrator shall issue IRS Forms 1099 to Class Counsel for the payments made pursuant to this section. Class Counsel shall be solely and legally responsible for paying any and all applicable taxes on the fees and costs award. Any amount of Class Counsel's requested fees and costs that is not awarded by the Court shall be added to the Net Settlement Amount. Neither Class Counsel nor any other attorneys acting for, or purporting to act for, the Settlement Class, Settlement Class Members, or Plaintiff, may recover or seek to recover any amounts for fees, costs, or disbursements from the Defendant or the Released Parties except as expressly provided herein.

3.3.3 Settlement Administrator Costs: The Settlement Administration Costs incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Stipulation shall be paid out of the Gross Settlement Amount and are estimated not to exceed $6,000.00. Under no circumstances will Defendant be required to contribute additional funds, above and in addition to the Gross Settlement Amount, to cover any unexpected

Settlement Administration Costs. The Settlement Administration Costs shall include: all costs of administering the Settlement, including all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with establishing and maintaining a Qualified Settlement Fund; all costs and fees associated with preparing, issuing and mailing the Notice of Settlement and other correspondence to Settlement Class Members; all costs and fees associated with communicating with Settlement Class Members, Class Counsel, and Defendant's Counsel; all costs and fees associated with computing, processing, reviewing, and paying the payments due under this Stipulation, and resolving disputed claims; all costs and fees associated with calculating tax withholdings and payroll taxes, making related payment to federal and state tax authorities, and issuing tax forms relating to payments made under the Settlement; all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared in the course of administering payments due under this Stipulation; and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Stipulation. Any amount of Settlement Administration Costs that is not awarded by the Court shall be added to the Net Settlement Amount.

3.3.4 Individual Class Payments to Participating Class Members: Each Participating Class Member will be entitled to receive an Individual Class Payment, which will be paid out of the Net Settlement Amount. The amount of each Individual Class Payment will be calculated on a pro rata basis, based on the Eligible Workweeks each Participating Class Member worked during the Class Period. There is no need for a Participating Class Member to submit a claim form in order to be eligible for and to receive an Individual Class Payment. To determine each Settlement Class Member's estimated "Individual Class Payment," the Settlement Administrator will use the following formula: Number of Eligible Workweeks attributed to a Class Member divided by total number of Settlement Class Member Eligible Workweeks, and the result multiplied by the estimated Net Settlement Amount. The Parties recognize that the

Individual Class Payments to be paid to Participating Class Members reflect settlement of a dispute over claimed wages, interest, penalties, and other alleged damages.

3.3.5 PAGA Payment: A total amount of $15,000 from the Gross Settlement Amount will be allocated as the PAGA Payment to be paid as penalties under PAGA. Sixty-five percent (65%) of this amount ($9,750) will be the LWDA PAGA Payment to be paid to the LWDA, and the remaining thirty-five percent (35%) of this amount ($5,250) shall be distributed to the PAGA Members as Individual PAGA Payments. Any portion of the PAGA Payment not approved by the Court shall be added to the Net Settlement Amount, and any additional amount ordered by the Court shall be paid from the Gross Settlement Amount. The 35% of the PAGA Payment is to be distributed to the PAGA Members as Individual PAGA Payments and shall be distributed based on a pro rata share based on the number of Eligible Pay Periods each PAGA Member worked during the PAGA Period.

3.4 **Taxation**

3.4.1 Tax Treatment of Individual Class Payments. All Individual Class Payments to Participating Class Members shall be allocated as follows for tax purposes: 20% of each Individual Class Payment reflects compromise of claims for alleged unpaid wages; 80% of each Individual Class Payment reflects compromise of a claim for interest, penalties and expense reimbursements. The portion of the Individual Class Payment attributable to unpaid wages will be subject to regular and/or applicable payroll and income tax withholdings (for the employee portion only), and will be reported on an IRS Form W-2. The Settlement Administrator shall make appropriate tax withholdings from the portion of each Individual Class Payment designated as unpaid wages, and shall pay the employer portion of payroll taxes with funds separate from the Gross Settlement Amount to be furnished by Defendant. Participating Class Members will be responsible for paying all other taxes due on their Individual Class Payments. Other than as set forth above, the Settlement Administrator will not make any deductions, withholdings, or additional payments, including without limitation, medical or other insurance payments or premiums, employee 401(k) contributions or matching employer contributions, wage

garnishments to the extent permitted by law, or charity withholdings, from or with respect to the Individual Class Payments, and entry of the Order of Final Approval by the Court shall be deemed authority not to make any such deductions, withholdings, or additional payments.

3.4.2 Tax Treatment of Individual PAGA Payments: All Individual PAGA Payments shall be allocated as 100% penalties, for which a 1099 will be issued if required. PAGA Members will be responsible for paying all taxes due on their Individual PAGA Payments. The Settlement Administrator will not make any deductions, withholdings, or additional payments, including without limitation, medical or other insurance payments or premiums, employee 401(k) contributions or matching employer contributions, wage garnishments to the extent permitted by law, or charity withholdings, from or with respect to the Individual PAGA Payments. Plaintiff will provide any required notices to the LWDA relating to the PAGA Payments.

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

treatment or tax structure of any transaction, including any transaction contemplated by this Stipulation.

3.5 **No Effect on Employee Benefits.** Neither the Settlement nor any amounts paid under the Settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by the Released Parties. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under the Released Parties' sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Stipulation shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of the Released Parties' benefit plans, policies, or bonus programs. The Released Parties retain the right to modify the language of their benefit plans, policies and bonus programs to effectuate this intent, and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Stipulation of Settlement.

3.6 **Releases**

3.6.1 Class Representative's Release. Upon Final Approval and effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the Class Representative shall be deemed to have fully, finally, and forever released the Released Parties from all Class Representative's Released Claims through the Final Approval Date. The Class Representative may hereafter discover claims or facts in addition to, or different from, those which he now knows or believes to exist, but Class Representative expressly agrees to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Stipulation. The Class Representative shall be deemed to have

expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits he may otherwise have had relating to the Class Representative's Released Claims pursuant to Section 1542 of the California Civil Code, which provides as follows:

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

Notwithstanding the foregoing, Class Representative does not waive or release any claim which cannot be waived or released by private agreement or law. Further, nothing in this Stipulation shall prevent Class Representative from filing a charge or complaint with, or from participating in, an investigation or proceeding conducted by the SEC, OSHA, EEOC, DFEH, NLRB or any other federal, state or local agency charged with the enforcement of any employment or other applicable laws. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period

3.6.2 Participating Class Member Release. Upon the Effective Date occurring and Defendant fully funding the Gross Settlement Amount and separate amount of payroll taxes described herein, the Participating Class Members will fully release and discharge the Released Parties of the Released Class Claims. Class Members (other than Plaintiff) shall not waive section 1542 of the California Civil Code. Plaintiff agrees not to take any action to encourage any Class Members to opt out of and/or object to the settlement. Except as set forth in Section 3.6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

3.6.3 PAGA Member Release. Upon the Effective Date occurring and Defendant fully funding the Gross Settlement Amount and separate amount of payroll taxes described herein, Plaintiff – in his individual capacity and on behalf of the State of California and the LWDA – shall completely release and discharge the Released Parties of the Released PAGA Claims. Aggrieved Employees may not opt-out of the PAGA portion of the settlement and Released PAGA Claims.

4. APPROVAL OF SETTLEMENT, NOTICE TO CLASS AND ADMINISTRATION

4.1 Preliminary Approval

4.1.1 Class Counsel shall submit to the Court this Stipulation of Settlement and exhibits thereto for preliminary approval by the Court. Class Counsel will prepare and file the motion for preliminary approval and supporting papers for the Court, subject to Defendant's prior review and approval. Plaintiff will provide the motion for preliminary approval and all related documents to Defendant for its review and approval at least seven (7) days before filing. The Parties will jointly prepare the Proposed Order for Preliminary Approval.

4.1.2 Pursuant to California Labor Code § 2699(l), concurrently with the filing of the motion for preliminary approval, Plaintiff will provide notice of the proposed Settlement to the LWDA.

4.1.3 The Court's preliminary approval of this Settlement shall be embodied in an order certifying the Class for settlement purposes only, preliminarily approving the Settlement and providing for Notice of Settlement to be mailed to the Class in materially the same format attached hereto as Exhibit 1, and which will also set the date for the Final Approval Hearing. The Notice of Settlement shall advise Settlement Class Members of their options, which include filing an Opt-Out Request to the class settlement; filing an objection to the Settlement and receiving an Individual Class Payment and an Individual PAGA Payment (if applicable); or taking no action and receiving an Individual Class Payment and an Individual PAGA Payment (if applicable).

4.2 Notice

4.2.1 Delivery of Class Data: No later than twenty-one (21) calendar days after the Preliminary Approval Date, Defendant shall provide the Class Data to the Settlement Administrator. The Settlement Administrator shall maintain the Class Data, and all data contained within the Class Data, as private and confidential and shall not disclose such data to any persons or entities, unless otherwise required by law. The information in the Class Data is being supplied solely for purposes of the administration of the settlement and cannot be used by the Settlement Administrator or any agent or representative of the Settlement Administrator for any other purpose. Upon receipt of the Class Data, the Settlement Administrator shall check with the U.S. Postal Service National Change of Address Database and update any addresses for the Settlement Class Members.

4.2.2 Notice By First-Class Mail. Within fourteen (14) calendar days of the receipt of the Class Data, the Settlement Administrator will send via United States first class mail the Notice of Settlement to the Settlement Class Members. If any Notice of Settlement is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall run a skip-trace using that Settlement Class Member's social security number in an effort to attempt to ascertain the current address of the Settlement Class Member. If such an address(es) is ascertained, the Settlement Administrator shall re-mail the Notice of Settlement within ten (10) calendar days. If alternative addresses are obtained for a Settlement Class Member, the Settlement Administrator shall send the Notice of Settlement to up to two (2) alternative addresses.

4.3 **Opt-Out Requests**

4.3.1 Settlement Class Members, except for the Class Representative, will have until the Response Deadline within which to opt out of the class portion of this Settlement; however, exercising this option has no effect on the PAGA portion of this settlement, PAGA Members will be mailed an Individual PAGA Payment and be bound by the release of the Released PAGA Claims regardless of whether they opt out of the class settlement. Settlement Class Members who want to opt out must timely submit a signed and dated written request to be

excluded from the class portion of the Settlement to the Settlement Administrator ("Opt-Out Request"). The Opt-Out Request must be postmarked on or before the Response Deadline, include the case name and number, the Settlement Class Member's name, address, and last four of their social security number, must be signed by the Settlement Class Member, and must reasonably communicate the Settlement Class Member's election to be excluded from the class Settlement.

4.3.2 Settlement Class Members who do not timely submit an executed Opt-Out Request shall be deemed a Participating Class Member and bound by this Settlement including the Participating Class Member Release. Settlement Class Members who timely submit an executed Opt-Out Request will not be bound by the Participating Class Member Release and will not receive an Individual Class Payment. The Notice of Settlement shall advise Settlement Class Members of their ability to opt-out of the class portion of the Settlement and of the consequences thereof, and further inform them that they cannot opt out of the PAGA settlement. Neither the Parties nor any of their counsel will solicit any Settlement Class Member to submit an Opt-Out Request.

4.3.3 If a Settlement Class Member submits both an Opt-Out Request and an Objection within the Response Deadline, then the Opt-Out Request will be deemed valid and the Objection invalid and the individual will not be deemed a Participating Class Member.

4.4 **Objections.** Participating Class Members, except for the Class Representative, may object to the Settlement in person at the Final Approval Hearing and/or in writing. Participating Class Members, except for the Class Representative, will have until the Response Deadline to file a written objection to the Court. Only Settlement Class Members who have not filed an Opt-Out Request (i.e., Participating Class Members) may object to the Settlement. The written objection should be mailed or filed with the Court, include the case number and name of this case, should state the Participating Class Member's name and address and describe the reason(s) why the Participating Class Member objects to the Settlement and include or attach any

documents upon which the objection is based. The Parties and their counsel agree that they will not solicit, encourage, counsel or advise any individual to object to the Settlement.

4.5 **Eligible Workweek and Eligible Pay Period Disputes.** For purposes of disputed estimated workweeks, Defendant's records will be presumed accurate. Participating Class Members and PAGA Members have the burden of proof to establish otherwise with documentary evidence. Participating Class Members and PAGA Members may dispute their Eligible Workweeks and Eligible Pay Periods if they believe they worked for more Eligible Workweeks or Eligible Pay Periods in the Class Period or PAGA Period than stated on their Notice of Settlement. Participating Class Members and PAGA Members may do this by submitting information to the Settlement Administrator in writing no later than the Response Deadline. The Settlement Administrator will jointly work with Class Counsel and Defendant's Counsel to resolve the dispute in good faith. If the Parties cannot agree on the Eligible Workweeks or Eligible Pay Periods to be credited to that Participating Class Member or PAGA Member, the Court shall make the final decision based on the information presented by the individual and the Parties.

4.6 **Certification Reports by the Settlement Administrator.** The Settlement Administrator will, on a weekly basis during and for a reasonable period following distribution of the Notice of Settlement, provide updates to Class Counsel and Defendant's Counsel as to the number of persons in the Settlement Class who submitted (i) valid Opt-Out Requests; (ii) written Objections, and (iii) Eligible Workweeks or Eligible Pay Period disputes. All written objections shall be provided to the Parties' counsel within two (2) days of receipt by the Settlement Administrator. To the extent practicable, the weekly updates shall also provide updated data on the extent of Notices of Settlement that are returned undeliverable and any re-mailing efforts.

4.7 **Defendant's Right to Withdraw.** Defendant shall have the sole right to void and withdraw from this Settlement if at any time prior to the Final Approval Date: (a) ten percent (10%) or more of all Settlement Class Members submit timely and valid Opt-Out Requests. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or

effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all settlement administration expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

4.8 **Final Approval and Entry of Final Judgment**

4.8.1 Prior to the Final Approval Hearing, Plaintiff will move the Court for entry of an "Order of Final Approval" and associated entry of Judgment: (a) certifying the Settlement Class for Settlement purposes only, (b) finding the Settlement fair, reasonable, adequate, and in the best interests of the Participating Class Members, (c) approving the PAGA Payment to the LWDA and the PAGA Members; (d) approving Class Counsel's application for an award of attorneys' fees and costs, (e) approving the Class Representative's application for an Class Representative Service Payment , (f) approving the payment of reasonable Settlement Administration Costs, and (g) releasing and barring any further Released Class Claims by Participating Class Members and Released PAGA Claims by or on behalf of the PAGA Members. Plaintiff will provide the motion for final approval to Defendant for its review and approval at least seven days before filing. The Parties will jointly draft the Order of Final Approval. The Parties and their respective counsel shall make all reasonable efforts to secure entry of the Order of Final Approval. The proposed Order of Final Approval and the associated proposed Judgment shall be filed with the Court with the motion for final approval, or as otherwise directed by the Court.

4.8.2 Class Representative and Class Counsel shall be responsible for justifying the amount of the Class Representative Service Payment and attorneys' fees and costs to the Court, and they agree to submit, as appropriate, the necessary materials to justify these payments. If the Court (or any appellate court) awards less than the amount requested for attorneys' fees and/or costs, or less than the amount requested for the Class Representative Service Payment for

the Class Representative, only the awarded amounts shall be paid and shall constitute satisfaction of the obligations of Defendant under this Stipulation.

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

4.9 **Funding and Distribution of the Settlement Proceeds**

4.9.1 Within fourteen (14) calendar days after the Effective Date or within seven (7) days of the Settlement Administrator providing all information necessary for Defendant to transfer funds to the Qualified Settlement Fund, whichever is later, Defendant shall pay the Gross Settlement Amount into the Qualified Settlement Fund set up, held, and controlled by the Settlement Administrator. Defendant will fund the amount necessary to pay Defendant's share of payroll taxes by transmitting the funds no later than fourteen (14) calendar days after the later of the (i) Effective Date and (ii) the date the Settlement Administrator provides Defendant will the wiring instructions and amount of employer payroll taxes due for the Individual Settlement Payments attributable to unpaid wages.

4.9.2 Within fifteen (15) calendar days after Defendant funds the Qualified Settlement Fund, the Settlement Administrator shall issue Individual Class Payments to Participating Class Members, Individual PAGA Payments to the PAGA Members, the LWDA PAGA Payment to the LWDA, the Court-approved attorneys' fees and costs to Class Counsel, and the court-approved Class Representative Service Payment to the Class Representative.

4.9.3 The Settlement Administrator shall keep counsel for the Parties apprised of all distributions from the Qualified Settlement Account and upon completion of administration of that portion of the Settlement, the Settlement Administrator shall provide written certification, under penalty of perjury, of such completion to the Court and counsel for all Parties.

4.9.4 Upon completion of administration of the Settlement, the Settlement Administrator shall provide written certification, under penalty of perjury, of such completion to the Court, Class Counsel and Defendant's Counsel.

4.10 **Uncashed Checks.** After one hundred and eighty (180) calendar days of issuance, funds from undeposited Individual Class Payment and Individual PAGA Payment checks will be held by the Settlement Administrator. Even if a Participating Class Member or PAGA Member does not cash or deposit his or her settlement payment check(s) within one-hundred eighty (180) calendar days of issuance, the Stipulation of Settlement, including its release, will be binding on that Participating Class Member or PAGA Member. After 180 days, any uncashed checks for the PAGA Settlement shall be tendered to the State Controller's Office, Unclaimed Property Division in the name of the recipient.

5. **MISCELLANEOUS PROVISIONS**

5.1 **This Settlement is Fair, Adequate and Reasonable**. The Parties believe this Settlement is a fair, adequate and reasonable settlement of the Action and have arrived at this Settlement in arms-length negotiations, taking into account all relevant factors, present and potential.

5.2 **Invalidity of Any Provision**. Before declaring any provision of this Stipulation invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Stipulation valid and enforceable. Should the Court deem any clause or provision of this Stipulation be invalid, illegal, or unenforceable, it shall first attempt to modify or reform it as minimally necessary to be valid, lawful, and enforceable.

5.3 **No Admission.** Neither the acceptance nor the performance by Defendant of the terms of this Stipulation, nor any of the related negotiations or proceedings, is or shall be claimed to be, construed as, or deemed to be, an admission by Defendant of the truth of any of the allegations in the Operative Complaint, the representative character of the Action, the validity of any of the claims that were or could have been asserted by Plaintiff, Settlement Class Members and/or PAGA Members in the Action, or of any liability or guilt of Defendant or the Released Parties in the Action. Nothing in this Stipulation shall be construed to be or deemed an admission by Defendant of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Settlement Class Members, or any other person, and Defendant specifically disclaims any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Settlement Class Members, PAGA Members and any other person. Each of the Parties has entered into this Stipulation with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies.

5.4 **Cooperation.** The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Settlement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other action as may reasonably be necessary to fulfill the terms of this Settlement. The Parties to this Settlement shall exercise reasonable efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by Court order, or otherwise, to effectuate this Settlement and the terms set forth herein.

5.5 **Privacy of Documents and Information.** Plaintiff and Class Counsel agree that none of the documents and information provided to them by Defendant in connection with the Action and this Settlement shall be used for any purpose (including in any other litigation) other than this Settlement of the Action.

5.6 **Notices.** Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly

given as of the third business day after mailing by United States certified mail, return receipt requested, addressed as follows:

To the Class Counsel:

Joseph Lavi
Vincent C. Granberry
Lavi & Ebrahimian, LLP
8889 W. Olympic Blvd, Suite #200
Beverly Hills, California 90211

To Defendant:

Max Fischer
Sheryl Horwitz
Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, California 90071

5.7 **Drafting**. The Parties hereto agree that the terms and conditions of this Stipulation of Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Stipulation shall not be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Stipulation.

5.8 **Publicity.** Neither Plaintiff nor Plaintiff's counsel shall issue any press release, hold a press conference, publish information about the settlement on any website, over social media, or otherwise publicize the Settlement. Plaintiff and his counsel agree not to respond to any press inquiries except to refer reporters to the papers filed with the Court. Plaintiff and his counsel agree not to publicize the Net Settlement Amount, except as otherwise required by the Administrator to post the judgment and order on its website. Plaintiff and Plaintiff's counsel agree that, prior to filing a motion for preliminary approval of the settlement, they will keep the terms of the settlement confidential except for purposes of communicating with Plaintiff only. Plaintiff understands that prior to the filing of a motion for preliminary approval, the Settlement is confidential and agrees to keep it confidential. From and after preliminary approval of the settlement, Plaintiff and Plaintiff's counsel may: (1) as required by law; (2) as required under the terms of the settlement; or (3) as required under counsel's duties and responsibilities as class

counsel, communicate regarding the specific terms of the settlement. In all other cases, Plaintiff and Plaintiff's counsel agrees to limit their statements regarding the terms of the settlement, whether oral, written or electronic (including the world wide web), to say the Class Action has been resolved and that Plaintiff and Plaintiff's counsel are satisfied with the settlement terms. Nothing in this Paragraph is intended to interfere with Plaintiff's counsel's duties and obligations to faithfully discharge their duties as class counsel, including but not limited to communicating with Settlement Class Members regarding the settlement, and nothing shall prohibit Plaintiff's counsel from referring to the settlement in adequacy of counsel declarations or related court filings.

5.9 **No Exclusion by Class Representative.** The Class Representative, by signing this Stipulation, is bound by the terms herein and further agrees not to request to be excluded from the Settlement and not to object to any terms of this Stipulation. Any such request for exclusion or objection shall therefore be void and of no force or effect.

5.10 **Waiver of Right to Appeal**. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

5.11 **Computation of Time.** If the prescribed time period in which to complete the required or permitted action expires on a Saturday, Sunday or legal holiday, such time period shall be continued to the following business day.

5.12 **Modification.** This Stipulation may not be changed, altered, or modified, except in writing signed by the Parties hereto and approved by the Court. This Stipulation may not be discharged except by performance in accordance with its terms or by a writing used by the Parties hereto.

5.13 **Binding on Successors.** This Stipulation shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

5.14 **Execution in Counterparts.** This Stipulation shall become effective upon its execution by all of the undersigned. The Parties may execute this Stipulation in counterparts, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument.

5.15 **Jurisdiction.** The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of the Stipulation, and all Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Stipulation. Any action to enforce this Stipulation shall be commenced and maintained only in the Court.

5.16 **Headings.** Paragraph titles or captions contained in the Stipulation are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Stipulation, or any provision thereof.

5.17 **Enforcement Action**. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees and costs, including expert witness fees in connection with any enforcement actions.

IN WITNESS WHEREOF, this Stipulation of Settlement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

AGREED AND UNDERSTOOD.

Docusign Envelope ID: 7EEE05EB-B18A-8B09-8034-7E156DF04DE9

Simon Rivera

Dated: _____, 2026 By: _____

STEPAN COMPANY

Dated: August 18, 2026, 2026 By: Signed by: Shawn Lisle DEA158C2E61A4EF...
Shawn Lisle

APPROVED AS TO FORM ONLY:

Lavi & Ebrahimian, LLP

Dated: _____, 2026 By: _____
Joseph Lavi
Vincent C. Granberry
Counsel for Plaintiff

MORGAN, LEWIS & BOCKIUS LLP

Dated: _____, 2026 By: _____
Max Fischer
Attorney for Defendant
Stepan Company

Simon Rivera

Dated: 6/18, 2026 By: _____

STEPAN COMPANY

Dated: _____, 2026 By:

APPROVED AS TO FORM ONLY:

Lavi & Ebrahimian, LLP

Dated: 8/18, 2026 By: Joseph Lavi

Joseph Lavi
Vincent C. Granberry
Counsel for Plaintiff

MORGAN, LEWIS & BOCKIUS LLP

Dated: August 26, 2026 By: _____

Max Fischer
Attorney for Defendant
Stepan Company

EXHIBIT 2

Simon Rivera v. Stepan Company
Orange County Superior Court Case Nos. 30-2025-01470277-CU-OE-CXC and
30-2025-01487296-CU-OE-CXC

A court has authorized this notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
Your legal rights are affected whether you act or do not act.
Read this Notice Carefully. You will be deemed
to have carefully read and understood it.

NOTICE OF SETTLEMENT

To: Current and former employees for Stepan Company. in non-exempt positions in California during the Class Settlement Period, at any time period from March 24, 2021, through May 4, 2026 (the "Settlement Class").

SETTLEMENT CLASS MEMBERS ARE ELIGIBLE TO RECEIVE PAYMENT FROM THE CLASS SETTLEMENT AND MAY ALSO BE ELIGIBLE TO RECEIVE PAYMENT FROM THE PAGA SETTLEMENT DESCRIBED IN THIS NOTICE.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	To receive a settlement payment, you do not need to do anything. Your payment will be mailed to you, automatically, after the Court grants final approval to the settlement. *You must, however, keep a current address on file with the Settlement Administrator to ensure receipt of your check.*
CHANGE CONTACT AND ADDRESS INFORMATION	Update your address with the Administrator to ensure your check is sent to the correct address.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	If you do not want to participate in the class settlement, you may exclude yourself ("opt out") of the class portion of the settlement. If you exclude yourself from the class settlement, then you will not receive any payment from the Net Settlement Amount (defined below). This is the only option that allows you to pursue your own claims (in your own lawsuit) against Defendant about the legal claims in this case. However, if you are a PAGA Member (defined below), then even if you exclude yourself from the class settlement, you will still receive a portion of the PAGA settlement and will be bound by the release of PAGA claims.
OBJECT IN WRITING OR AT THE HEARING	Write to the Administrator if you think the settlement is not fair or appear at the Final Approval hearing to speak to the Court about why you think the settlement is not fair.

- **YOUR RIGHTS AND OPTIONS – AND THE DEADLINES TO EXERCISE THEM – ARE EXPLAINED IN THIS NOTICE.**
- **DEFENDANT WILL NOT RETALIATE IN ANY MANNER AGAINST ANY SETTLEMENT CLASS MEMBER FOR PARTICIPATING OR NOT PARTICIPATING IN THIS SETTLEMENT.**

BACKGROUND ON THE LAWSUIT

1. What is this Class and PAGA Action and Settlement about?

On March 24, 2025, Plaintiff Simon Rivera filed this "Action" in Superior Court in Orange County. In the Operative Complaint, he alleged causes of action for (1) failure to pay wages for all hours worked at minimum wage in violation of Labor Code Sections 1194 and 1197, (2) failure to pay overtime wages and/or failure to pay overtime wages at the proper overtime rate of pay in violation of Labor Code Sections 510 and 1194, (3) failure to authorize or permit meal periods in violation of Labor Code Sections 512 and 226.7, (4) failure to authorize or permit rest periods in violation of Labor Code Section 226.7, (5) failure to pay wages for accrued paid sick days at the regular rate of pay in violation of Labor Code Section 246; (6) failure to indemnify employees for employment-related losses and expenditures in violation of Labor Code Section 2802, (7) secret payment of lower wages in violation of Labor Code Section 223, (8) failure to provide complete and accurate wage statements in violation of Labor Code Section 226, (9) failure to timely pay earned wages during employment in violation of Labor Code Section 204, (10) failure to timely pay all earned wages and final paychecks due at the time of separation of employment in violation of Labor Code Sections 201, 202, and 203, (11) unfair business practices in violation of Business and Professional Code Sections 17200, et seq, and (12) civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq.

Defendant denies all allegations in the Action and contends that it has fully complied with federal, state and local wage and hour laws. The settlement is not an admission of any wrongdoing by Defendant or an indication that any law was violated or that this case was suitable for class, collective or representative treatment. Through arms-length negotiations with an experienced wage and hour mediator, the Parties reached a class and PAGA settlement subject to Court approval, which is summarized in this Notice.

2. Why did I get this notice?

You received this Notice because records identify you as a California non-exempt employee of Defendant at some time during the period from March 24, 2021 through May 4, 2026 (the "Class Settlement Period" or "Class Period"). The settlement will resolve Settlement Class Members' claims, summarized above, during the Class Settlement Period. The Settlement will also resolve claims for civil penalties under the California Private Attorneys' General Act ("PAGA"). You may also be a "PAGA Member" (or "Aggrieved Employee") if you worked for Defendant during the period from March 29, 2024, to May 4, 2026 (the "PAGA Settlement Period" or "PAGA Period").

The purpose of this notice is to explain the Action, the pending Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the Orange County Superior Court, and the case is known as *Simon Rivera v. Stepan Company Orange County Superior Court Case,* Nos. 30-2025-01470277-CU-OE-CXC and 30-2025-01487296-CU-OE-CXC. The Court held a hearing on _____, 2026, and Hon. Layne H. Melzer preliminarily approved this Settlement and directed that you receive this Notice. The Court will hold a Final Approval hearing concerning the Settlement on _____, 2027 at _____, in _____. The Final Approval Hearing may be continued to another date without further notice.

3. Why is there a settlement?

The Court has not decided in favor of Plaintiff or Defendant or made any decision as to whether this case could proceed on a class, collective or representative basis. There was no trial. Instead, both sides agreed to a no-fault settlement of the Action.

4. Who are the Attorneys for the Settlement Class and the PAGA Members?

The Court has appointed Class Counsel to represent the Settlement Class and the PAGA Members in connection with this Settlement, Joseph Lavi, Vincent C. Granberry, Jeffrey D. Klein, and Paolo Policastro of Lavi & Ebrahimian, LLP, 8889 W. Olympic Blvd #200, Beverly Hills, CA, 90211, (310) 432-0000.

THE TERMS OF THE SETTLEMENT

5. What is the Settlement Amount?

The proposed Settlement provides for a maximum payment of $250,000 (referred to as the "Gross Settlement Amount"). From the Gross Settlement Amount, Class Counsel will apply to the Court for: attorneys' fees of $83,333.33 and of reasonable litigation expenses incurred in this Action; Class Representative Service Payment of $7,500 to Plaintiff for his work and efforts prosecuting this case, for undertaking the risks of payment of costs (in the event of an unsuccessful outcome of this Action) and for signing a general release of any claims they may have against Defendant; a $15,000 payment as settlement for claims for civil penalties under PAGA (the "PAGA Payment"), of which 65% will go to the California Labor Workforce Development Agency ("LWDA") and 35% will be divided among the PAGA Members as described below; and Settlement Administration Costs to [], estimated at $[]. The exact amount of the attorneys' fees, litigation costs, Class Representative Enhancement Award, and Settlement Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Gross Settlement Amount is the "Net Settlement Amount," which is currently estimated to be approximately $_____. The Net Settlement Amount will be apportioned and paid out as Individual Settlement Payments to the Participating Class Members, who are the Settlement Class Members who do not request to be excluded ("opt out") of the settlement**.**

6. How will the Individual Settlement Payments to Participating Class Members be calculated?

Participating Class Members will receive Individual Settlement Payments from the Net Settlement Amount. **A claim form is not required to become a Participating Class Member.** Settlement Class Members who opt out of the class settlement will not become Participating Class Members and will not receive Individual Settlement Payments and will not be bound by the class portion of this Settlement.

Each Participating Class Member's Individual Settlement Payment will be a pro rata share of the Net Settlement Amount based on the number of workweeks that each Participating Class Member worked for Defendant during the Class Settlement Period (March 4, 2021, through May 4, 2026 ("Eligible Workweeks")) as a proportion of all Eligible Workweeks for all Participating Class Members.

All Individual Settlement Payments to Participating Class Members shall be allocated as follows for tax purposes: 20% of each Individual Settlement Payment reflects a compromise of claims for alleged unpaid wages; 80% of each Individual Settlement Payment reflects a compromise of claims for alleged interest and penalties. The portion of the Individual Settlement Payment attributable to unpaid wages will be subject to regular and/or applicable payroll and income tax withholdings and will be reported on an IRS Form W-2. Participating Class Members will receive an IRS Form 1099 for the portion of the Individual Settlement Payment attributable to alleged interest and penalties if required by law. Participating Class Members will be responsible for correctly characterizing the Individual Settlement Payment for tax purposes and paying taxes due, if any.

Your total estimated Eligible Workweeks are _____. Based on that, your anticipated approximate Individual Settlement Payment is _____.

7. How will the PAGA Payment be allocated to the LWDA and PAGA Members?

The Parties will ask the Court to approve the $15,000 PAGA Payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 65% of the PAGA Payment, or $9,750, will be paid to the LWDA. The remaining 35% of the PAGA Payment, or $5,250, will be distributed to the PAGA Members as Individual PAGA Payments.

Not all Settlement Class Members are PAGA Members who are entitled to an Individual PAGA Payment. If you are a PAGA Member, you are entitled to receive an Individual PAGA Payment; no claim form is required. Because PAGA Members cannot opt out of the PAGA settlement, if you are a PAGA Member and you opt out of the class settlement, you will still receive an Individual PAGA Payment and be bound by the PAGA settlement.

Each PAGA Member's Individual PAGA Payment will be a pro rata share of the 35% of the PAGA Payment to be distributed to PAGA Members. It will be based on the number of pay periods that each PAGA Member worked for Defendant during the PAGA Period (March 29, 2024, through May 4, 2026) ("Eligible Pay Periods") as a proportion of all Eligible Pay Periods for all PAGA Members. For tax purposes, 100% of the Individual PAGA Payments will be allocated as penalties for which an IRS Form 1099, if required by law.

Your total estimated Eligible Pay Periods is _____. Based on that, your anticipated approximate Individual PAGA Payment is _____.

HOW TO GET A PAYMENT

8. How can I get a settlement payment?

If you do nothing, you will automatically receive your Individual Settlement Payment and Individual PAGA Payment (if any) after the Court approves the Settlement at a Final Approval Hearing. You must notify the Settlement Administrator of any change in your name, mailing address and/or telephone number if the information shown on this is not correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your address. Settlement payments will be mailed to the last known address the Settlement Administrator has on file for you.** You can contact the Settlement Administrator by U.S. Mail, email or phone at _____ if you need to update contact information.

9. What do I do if I believe my Eligible Workweeks or Eligible Pay Periods are incorrect?

If you believe the Eligible Workweeks and Eligible Pay Periods above are not correct, you may send a letter to the Settlement Administrator indicating what you believe to be the correct information. You must notify the Settlement Administrator in writing on or before _____, 2026. [*60 days within mailing of Notice*]. You may use the dispute form included in this packet. You should include any documents or other information which supports what you believe support that you worked a different number of Eligible Workweeks or Eligible Pay Periods.

Settlement checks should be cashed promptly upon receipt. **If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.** Proceeds of checks for Individual Settlement Payments for the class settlement that remain uncashed after 180 days from the date of issuance will be distributed shall be tendered to the State Controller's Office, Unclaimed Property Division in the name of the recipient. Proceeds from any Individual PAGA Payments issued to PAGA Members that remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each PAGA Member who did not cash his or her settlement check.

WHAT HAPPENS IF THE COURT APPROVES THE SETTLEMENT

10. What am I giving up to get an Individual Settlement Payment?

If the Court approves this Settlement, and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be a part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the claims described below:

Released Class Claims: Upon the Effective Date occurring and Defendant fully funding the Gross Settlement Amount and separate amount of payroll taxes described herein, the Participating Class Members will fully release and discharge the Released Parties of the Released Class Claims. Class Members (other than Plaintiff) shall not waive section 1542 of the California Civil Code. Plaintiff agrees not to take any action to encourage any Class Members to opt out of and/or object to the settlement. Except as set forth in Section 3.6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. "Released Class Claims" means all claims that were alleged in the Operative Complaint, or that reasonably could have been alleged based upon the facts and claims stated in the Operative Complaint, including claims for: (1) failure to pay wages for all hours worked at minimum wage in violation of Labor Code Sections 1194 and 1197, (2) failure to pay overtime wages and/or failure to pay overtime wages at the proper overtime rate of pay in violation of Labor Code Sections 510 and 1194, (3) failure to authorize or permit meal periods in violation of Labor Code Sections 512 and 226.7, (4) failure to authorize or permit rest periods in violation of Labor Code Section 226.7, (5) failure to pay wages for accrued paid sick days at the regular rate of pay in violation of Labor Code Section 246; (6) failure to indemnify employees for employment-related losses and expenditures in violation of Labor Code Section 2802, (7) secret payment of lower wages in violation of Labor Code Section 223, (8) failure to provide complete and accurate wage statements in violation of Labor Code Section 226, (9) failure to timely pay earned wages during employment in violation of Labor Code Section 204, (10) failure to timely pay all earned wages and final paychecks due at the time of separation of employment in violation of Labor Code Sections 201, 202, and 203, (11) unfair business practices in violation of Business and Professional Code Sections 17200, et seq, and (12) any claims under and/or predicated on violations of California Labor Code §§ 1194, 1197, 512, 226.7, 2802, 226, 201, 202, and 203, 204, 223, 225.5, 226, 226.3, 226.7, 246, 510, 512, 558, 1194, 1197, 1198, 2802, the applicable Wage Orders, the Fair Labor Standards Act, the Fair Labor Standards Act, and Business and Professions Code Sections 172900, et seq. The time period governing the Released Class Claims shall be the Class Period.

11. What PAGA Claims are released by this Settlement?

If the Court approves this Settlement, then, upon the Effective Date occurring and Defendant fully funding the Gross Settlement Amount and separate amount of payroll taxes described herein, Plaintiff – in his individual capacity and on behalf of the State of California and the LWDA – shall completely release and discharge the Released Parties of the Released PAGA Claims. Aggrieved Employees may not opt-out of the PAGA portion of the settlement and Released PAGA Claims. "Released PAGA Claims" means the PAGA claims alleged in the Operative Complaint, or that reasonably could have been alleged based on the facts and claims stated in the Operative Complaint and in the relevant LWDA notice letters, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay wages for all hours worked at minimum wage in violation of Labor Code Sections 1194 and 1197, (2) failure to pay overtime wages and/or failure to pay overtime wages at the proper overtime rate of pay in violation of Labor Code Sections 510 and 1194, (3) failure to authorize or permit meal periods in violation of Labor Code Sections 512 and 226.7, (4) failure to authorize or permit rest periods in violation of Labor Code Section 226.7, (5) failure to pay wages for accrued paid sick days at the regular rate of

pay in violation of Labor Code Section 246; (6) failure to indemnify employees for employment-related losses and expenditures in violation of Labor Code Section 2802, (7) secret payment of lower wages in violation of Labor Code Section 223, (8) failure to provide complete and accurate wage statements in violation of Labor Code Section 226, (9) failure to timely pay earned wages during employment in violation of Labor Code Section 204, (10) failure to timely pay all earned wages and final paychecks due at the time of separation of employment in violation of Labor Code Sections 201, 202, and 203, (11) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged in the LWDA notice letters and Operative Complaint, and (12) any claims under and/or predicated on violations of California Labor Code §§ 1194, 1197, 512, 226.7, 2802, 226, 201, 202, and 203, 204, 223, 225.5, 226, 226.3, 226.7, 246, 510, 512, 558, 1194, 1197, 1198, 2698, et seq., 2802, and the applicable Wage Orders including, but not limited to, the applicable Wage Orders, the Fair Labor Standards Act, or Business and Professions Code Sections 172900, et seq. The time period governing the PAGA Released Claims shall be the PAGA Period. The PAGA Released Claims do not release any Aggrieved Employees' claims for wages or statutory penalties.

EXCLUDING YOURSELF FROM THE CLASS SETTLEMENT

12. How do I exclude myself ("opt out") of the class settlement?

If you wish to pursue your own separate lawsuit against any of the Released Parties for the claims asserted in the Action on behalf of the Settlement Class, or if you otherwise wish not to participate in the class settlement for whatever reason, you should exclude yourself from the class settlement (that is, "opt out" of the class portion of the Settlement). However, you cannot opt out of the PAGA portion of the settlement. Those who opt out of this Settlement and who are also PAGA Members will still be bound by the release of PAGA in this Settlement and will receive an Individual PAGA Payment.

To opt out of the class portion of the Settlement and the Released Class Claims, you must provide a signed and dated letter to the Settlement Administrator requesting to be excluded. The letter must include the case name and number, your name, address, and last four of your social security number, must be signed by you, and must simply communicate your election to be excluded from the class Settlement. You may use the exclusion form included in this packet. The letter must be postmarked and mailed to the Settlement Administrator at the following address (or in the enclosed envelope) on or before _____, 2026. [*60 days within mailing of Notice*] Opt-out requests postmarked after the deadline will be invalid.

[Settlement Admin contact information:

Email Address:

Mailing Address:

Telephone:

Fax Number:

]

13. If I don't exclude myself from the class settlement, can I sue Defendant for the same thing?

No. Unless you exclude yourself, you give up any right to sue the Released Parties for the Released Class Claims. If you have a claim or lawsuit already filed against Defendant or any of the Released Parties, you should speak to your lawyer in that case immediately.

You cannot exclude yourself from the PAGA portion of the Settlement and you cannot sue the Released Parties for the Released PAGA Claims later if this Settlement is approved.

OBJECTING TO THE SETTLEMENT

14. How do I tell the Court that I do not agree with the Settlement or believe it is not fair?

You can ask the Court to deny approval by making an objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out, and the Action will continue. If that is what you want to happen, you should object. Even if you object, if the Court approves the Settlement, then you will still receive the Individual Settlement Payments unless you opt-out of the Class Settlement and you will be bound by the releases in this Settlement. You can either object to the Settlement in person at the Final Approval Hearing, or you can submit a written objection.

You may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing at your expense, either in person, telephonically, or through an attorney, provided you notify the Court of your intention to do so. You may use the objection form included in this packet. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must (a) clearly identify the case name and numbers *Simon Rivera v. Stepan Company*
Orange County Superior Court, Case Nos. 30-2025-01470277-CU-OE-CXC and 30-2025-01487296-CU-OE-CXC, (b) be submitted to the Court either by mailing the objection to: _____, or by filing in person at the same location; (c) also be mailed to the law firms identified below and (d) be filed or postmarked on or before _____, 2026. [*60 days within mailing of Notice*].

To Plaintiff:	To Defendant:
Joseph Lavi, Esq. Vincent C. Granberry, Esq. Lavi & Ebrahimian, LLP, 8889 W. Olympic Blvd, Suite #200 Beverly Hills, California 90211	Max Fischer Sheryl Horwitz Morgan, Lewis & Bockius LLP 300 S. Grand Avenue, 22nd Floor Los Angeles, California 90071

THE FINAL APPROVAL HEARING WITH THE COURT

15. When and where will the Court decide whether to grant final approve the settlement?

The Court will hold a Final Approval hearing concerning the Settlement on _____, 2026 at _____, in _____. At this hearing the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and costs, the Class Representative Service Payment, and the Settlement Administrator's fees and expenses.

The Court may reschedule the Final Approval hearing without further notice to Settlement Class Members. You should check the Orange County Superior Court website (https://www.santaclara.courts.ca.gov/) or you can contact Class Counsel to verify the date and time of the Final Approval hearing.

16. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Judge may have. But you are welcome to come at your own expense. If you timely submit a written objection, you don't have to come to Court to talk about it. You may also hire and pay your own lawyer to attend if you so desire.

GETTING MORE INFORMATION

17. Whom may I contact if I have questions about the settlement?

You may contact Class Counsel at the contact information listed above in Paragraph 4 if you have any questions about the Settlement. You may also contact the court-appointed Settlement Administrator, _____ by calling toll free 1-800_____, or you can write to [Admin Address].

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined (a) online on the Superior Court of California, County of Orange's Civil Case Access Website at https://civilwebshopping.occourts.org/Search.do#searchAnchor, or (b) in person at the Superior Court of California, County of Orange, Central Justice Center, 700 Civic Center Drive West, Santa Ana, California 92701, between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures, or you may contact Class Counsel or the Settlement Administrator.

PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.

“EXHIBIT A”

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

SIMON RIVERA, on behalf of himself and others similarly situated, Plaintiff, v. STEPAN COMPANY; and DOES 1 to 100, inclusive, Defendants.	Case No.: 30-2025-01470277-CU-OE-CXC **CLASS AND PAGA ACTION** *[Assigned for all purposes to the Hon. Layne H. Melzer, Dept CX102]* **REQUEST TO BE EXCLUDED FROM CLASS ACTION SETTLEMENT[1]**

ONLY COMPLETE THIS FORM IF YOU *DO NOT* WANT TO RECEIVE RECOVERY FROM THE SETTLEMENT RELATING TO THE CLASS CLAIMS

Name: _____

Address: _____

_____

Telephone: _____

Last 4 Digits of SSN: _____

I wish to be excluded from the Released Class Claim portion of the Class and PAGA Action Settlement of the case *Simon Rivera v. Stepan Company*, Case No. 30-2025-01470277-CU-OE-CXC, currently pending in the Superior Court of the State of California, County of Orange. I understand by signing below I will not receive any payment from this Settlement relating to the Released Class Claims and will not be releasing any claims t relating to the Released Class Claims. However, I understand that if I am a Class Member and also an Aggrieved Employee under the Private Attorneys General Act ("PAGA"), I cannot opt out of the PAGA portion of the settlement or Released PAGA Claims.

Dated: _____ _____

(signature)

[1] **DO NOT SUBMIT THIS FORM IF YOU WISH TO RECEIVE A SETTLEMENT PAYMENT RELATING TO THE RELEASED CLASS CLAIMS.**

If you wish to be excluded from the Class Claim portion of the Settlement, please complete and sign this Request for Exclusion form and mail it to *Simon Rivera v. Stepan Company*, c/o [Administrator] at [Admin Address], no later than [DATE set by Court].

“EXHIBIT B”

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

SIMON RIVERA, on behalf of himself and others similarly situated, Plaintiff, v. STEPAN COMPANY; and DOES 1 to 100, inclusive, Defendants.	Case No.: 30-2025-01470277-CU-OE-CXC **CLASS AND PAGA ACTION** [*Assigned for all purposes to the Hon. Layne H. Melzer, Dept CX102*] **OBJECTION TO CLASS ACTION SETTLEMENT**

ONLY COMPLETE THIS FORM IF YOU WISH TO OBJECT TO THE PROPOSED CLASS ACTION SETTLEMENT. THIS IS NOT AN "OPT-OUT" FORM.

If you choose, you may object to the Class Action component of the proposed Settlement. You may not object to the PAGA component of the settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from the Settlement, and if the Court grants final approval of the Settlement, you will get your Settlement Payments as described in the Notice of Class Action and PAGA Settlement, and the release of claims will apply to you.

If you wish to object to the Class Action Settlement, please complete and sign this form, and mail or deliver it to *Simon Rivera v. Stepan Company*, c/o [Administrator] at [Admin Address], no later than [DATE set by Court]. Please note you have a right to appear at the Final Approval Hearing, with or without an attorney, and have your objection(s) heard by the Court.

Name: _____

Address: _____

_____

Telephone: _____

Last 4 Digits of SSN: _____

I OBJECT TO THE PROPOSED CLASS SETTLEMENT REACHED IN SIMON RIVERA V. STEPAN COMPANY, SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE, CASE NO. 30-2025-01470277-CU-OE-CXC. THE BASIS FOR MY OBJECTION IS AS FOLLOWS:

_____

_____

_____

_____.

Number of additional pages attached: _____

Dated: _____ _____

(signature)

“EXHIBIT C”

CLASS WORKWEEK DISPUTE FORM

SUPERIOR COURT OF THE STATE OF CALIFORNIA – ORANGE
Simon Rivera v. Stepan Company

Indicate Name/Address Changes, if any: _____

<<Name>>
<<Address>>
<<City>>, <<State>> <<Zip Code>>
XX - XX - __ __ __ __

INSTRUCTIONS

IF YOU WERE EMPLOYED BY STEPAN COMPANY ("DEFENDANT") AS AN HOURLY EMPLOYEE, BETWEEN MARCH 24, 2021 THROUGH MAY 4, 2026, THEN YOU ARE A SETTLEMENT CLASS MEMBER.

The amount of your estimated Settlement Payment is based upon the Workweeks you worked for Defendant in California between _____ through _____. "Workweeks" are defined as the number of days in which you worked and divided by seven (7). The number of Workweeks applicable to your claim is set forth below. If you believe that the number of weeks stated is incorrect, you may dispute the number of weeks by submitting a completed Dispute Form with supporting document on or before _____ [60 days after initial mailing]. **If you believe that the number of weeks stated below is correct, you do not have to do anything.**

If you have moved or may move in the future, you must immediately send your new address to the Settlement Administrator at the address listed above; otherwise, your individual settlement payment may not reach you. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.

I. YOUR COMPENSABLE WORK WEEKS

Defendant's records show that during the Class Period (_____ through _____), you worked as an hourly employee, in California, which qualifies you as a Settlement Class Member and your total number of Workweeks in this position are: **<<NUMBER OF WORKWEEKS>>**.

II. YOUR ESTIMATED SETTLEMENT PAYMENT

Based upon the above numbers of Workweeks, your estimated pre-tax Settlement Payment is **<<INSERT>>**.

III. CHALLENGE TO WORK WEEKS

If you wish to dispute the Workweeks data listed above, you must postmark your dispute and provide all supporting information and/or documentation to the Settlement Administrator by **<<NOTICE PERIOD DEADLINE>>.**

Check a box below <u>ONLY</u> if you wish to dispute the dates listed above:

☐ I wish to dispute the number of Workweeks listed above. I believe the correct amount of my work weeks is _____. I have also included information and/or documentary evidence that support my dispute (such as paystubs, time records, tax documents). I understand that, by submitting this dispute, I hereby authorize the Settlement Administrator to review Defendant's records and make a determination jointly with Class Counsel and Defendant's counsel as to the validity of my dispute based upon Defendant's records as well as the records and information that I submit to the Settlement Administrator. If the Parties cannot agree, the Court shall have the right to review any decision made by the Settlement Administrator regarding any dispute. I declare under penalty of perjury under the laws of the State of California and the United States of America that the information I provided in this Workweek Dispute Form is true and correct.

Dated: _____ Signature:_____

Print or Type Name: _____

MAIL TO:

Simon Rivera v. Stepan Company
Settlement Administrator
c/o
[Administrator]
[address]
[city], CA [zip code]

IF YOU ARE CONTESTING THE AMOUNT OF YOUR ELIGIBLE WORKWEEKS, TO CHALLENGE YOUR WORK WEEK AMOUNT YOU MUST SIGN AND POSTMARK AND RETURN THIS FORM TO THE SETTLEMENT ADMINISTRATOR ON OR BEFORE «<u>NOTICE PERIOD DEADLINE</u>».

“EXHIBIT 3”

LAW OFFICES OF
LAVI & EBRAHIMIAN, LLP
8889 W. OLYMPIC BLVD., SUITE 200
BEVERLY HILLS, CALIFORNIA 90211
TELEPHONE: (310) 432-0000
FACSIMILE: (310) 432-0001
WWW.LELAWFIRM.COM

March 24, 2025

NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO LABOR CODE SECTION 2699.3

To: California Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, California 94612
Via Online Submission Only

STEPAN COMPANY Registered Agent for Process Service c/o Colin Crimmins 1208 N. Pratt Street Anaheim, CA 92801 **Certified No.: 9589 0710 5270 1859 1834 84**	**STEPAN COMPANY** Attn.: Legal Department 1101 Skokie Blvd, Suite 500 Northbrook, IL 60062 **Certified No.: 9589 0710 5270 1859 1835 07**
STEPAN COMPANY Attn.: Legal Department 1208 N Patt St. Anaheim, CA 92801 **Certified No.: 9589 0710 5270 1859 1834 91**	

From: SIMON RIVERA, on behalf of himself and all other current and former aggrieved California-based hourly non-exempt employees of STEPAN COMPANY.

c/o Joseph Lavi, Esq.
Vincent C. Granberry, Esq.
Jeffrey D. Klein, Esq.
Gregory K. Okada, Esq.
LAVI & EBRAHIMIAN, LLP
8889 W. Olympic Boulevard, Suite 200
Beverly Hills, California 90211
Email: jlavi@lelawfim.com
vgranberry@lelawfirm.com
jklein@lelawfirm.com
gokada@lelawfirm.com

Our firm has been retained by aggrieved employee SIMON RIVERA concerning a representative action pursuant to the Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq*. ("PAGA") against his employers, STEPAN COMPANY.

We are filing this written notice with the Labor and Workforce Development Agency ("LWDA") pursuant to the provisions of the California Labor Code Sections 2699, 2699.3, and 2698, *et seq*. The purpose of this letter is to inquire whether LWDA intends to investigate and seek civil penalties associated with my client's allegations of violations of the Labor Code by his Employer. In addition to submitting this letter and the $75.00 filing fee via the online PAGA filing system, I am causing a copy of this letter to be mailed to the Department of Industrial Relations – Accounting Unit.

FACTUAL STATEMENT AND THEORIES OF LABOR CODE VIOLATIONS

Aggrieved employee SIMON RIVERA ("Plaintiff" or "Employee") was employed by STEPAN COMPANY ("Defendants" or "Employers") as an hourly non-exempt employee from in or around August 2024 until on or about January 26, 2025. Plaintiff believes Defendant(s) employed more than one hundred (100) employees in total during the period covered by this notice, and Labor Code section 2999.3(c)(2) does not apply.

1. *Failure to Pay the Minimum Wage Rate of Pay for All Hours Worked in Violation of Labor Code Sections 1194 and 1197*

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees with compensation at the minimum wage rate of pay for all the hours that they worked in violation of Labor Code sections 1194 and 1197. Labor Code section 1197 provides, "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." Labor Code section 1194 states, "...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit."

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees all wages at the applicable minimum wage for all hours worked due to Employer's policies, practices, and/or procedures including, but not limited to:

- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to don personal protective equipment ("PPE") prior to clocking in for the start of their shift and doff their PPE after clocking out for the end of their shift without being paid for that time and during meal breaks.

- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to keep their employer-issued walkie-talkies on their person and to always monitor them during their shift resulting in Employee and other current and former aggrieved California-based hourly non-exempt employees remaining on duty, including during their off-the-clock meal breaks.
- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to work on restricted on-call/standby time, and must be able to respond to calls within 30 minutes ,without Employee and other current and former aggrieved California-based hourly non-exempt employees being paid for that time on standby unless actually called in to work and not able to exchange duties with other current and former aggrieved California-based hourly non-exempt employees because standby shifts were rotational.

Employee and other Aggrieved Employees personally suffered these violations. Employee is further informed and believes, and based thereon alleges, that Employer's conduct above that gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employee and other current and former aggrieved California-based hourly non-exempt employees were not paid for this time resulting in Employer's failure to pay minimum wage for all the hours Employee and other current and former aggrieved California-based hourly non-exempt employees worked.

Employer's aforementioned policies, practices, and/or procedures resulted in time each day in which Employee and other current and former aggrieved California-based hourly non-exempt employees were subject to the control of Employer without being compensated for that time.

Based on these violations, Employee intends to seek civil penalties pursuant to the Private Attorneys General Act ("PAGA"), California Labor Code sections 2698, *et seq*., and Labor Code section 1197.1, subdivisions (a)(1)-(2), on behalf of the Labor and Workforce Development Agency ("LWDA") against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to pay wages at a minimum wage rate for all hours worked, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay such minimum wages for all hours worked rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9).

2. *Failure to Authorize or Permit Meal Periods and/or Failure to Pay Meal Period Premiums in Violation of Labor Code Sections 512 and 226.7*

Employee alleges that during his employment, Employer failed to authorize or permit all legally required and compliant meal periods and/or pay meal period premiums. California law requires an employer to provide an employee an uninterrupted meal period of no less than thirty (30) minutes in which the employee is relieved of all duties and the employer relinquishes control over the employee's activities prior to the employee's sixth hour of work. Labor Code §§226.7, 512; Wage Order 4, §11; *Brinker Rest. Corp. v. Super Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004. An employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second such meal period of not less than thirty (30) minutes prior to the start of the eleventh hour of work. *Id*. If the employer requires the employee to remain at the work site or facility during the meal period, the meal period must be paid. This is true even where the employee is relieved of all work duties during the meal period. *Bono Enterprises, Inc. v. Bradshaw* (1995) 32 Cal.App.4th 968. If an employer fails to provide an employee a meal period in accordance with the law, the employer must pay the employee one (1) hour of pay at the employee's regular rate of pay for each workday that a legally required and compliant meal period was not provided. Labor Code §226.7; Wage Order 4, §11.

Employee alleges that Employer failed to authorize or permit him and other current and former aggrieved California-based hourly non-exempt employees to take all legally required and compliant meal periods due to Employer's policies, practices, and/or procedures including, but not limited to, the following:

- Discouraging off-premises meal breaks by requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to don personal protective equipment ("PPE") and doff their PPE during meal breaks if they left Employers' premises during their meal breaks.
- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to keep their employer-issued walkie-talkies on their person and to always monitor them during their shift resulting in Employee and other current and former aggrieved California-based hourly non-exempt employees remaining on duty during their off-the-clock meal breaks.
- Failing to provide Employee and other current and former aggrieved California-based hourly non-exempt employees timely, uninterrupted, duty-free meal breaks of at least 30 minutes for every five hours worked during on-call hours worked.

Employee and other Aggrieved Employees personally suffered these violations. Employee is further informed and believes, and based thereon alleges, that Employer's conduct above that gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Additionally, Employee alleges that Employer maintained a policy, practice, and/or procedure whereby they failed to pay Employee and other current and former aggrieved California-based hourly non-exempt employees a meal period premium wage of one (1) additional hour of pay at their regular rate of compensation for each workday that they did not receive all legally required and compliant meal periods, in violation of Labor Code section 226.7 and Wage Order 4 at § 11.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code sections 558 and/or Labor Code section 2699(f)(2) on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to authorize or permit all legally required and compliant meal periods and/or failure to pay meal period premium wages, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay meal period premiums and/or pay meal period premiums at the proper regular rate of pay rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross and net wages earned, in violation of Labor Code sections 226(a)(1 & 5).

3. *Failure to Authorize or Permit Rest Periods and/or Failure to Pay Rest Period Premiums in Violation of Labor Code Section 226.7*

Employee alleges that during his employment, Employer failed to authorize or permit all legally required and compliant rest periods and/or failed to pay rest period premiums. California law requires that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof…." Wage Order 4, § 12. "Employees are entitled to 10 minutes' rest for shifts from three and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes for shifts of more than 10 hours up to 14 hours, and so on." *Brinker Restaurant Corp. v. Sup. Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004, 1029; Labor Code §226.7. Additionally, the rest period requirement "obligates Employer to permit – and authorizes employees to take – off-duty rest periods." *Augustus v. ABM Security Services, Inc.* (2016) 5 Cal.5th 257, 269. That is, during rest periods an employer must relieve employees of all duties and relinquish control over how employees spend their time. *Id*. If the employer fails to authorize or permit a required rest period, the employer must pay the employee one (1) hour of pay at the employee's regular rate of pay for each workday the employer did not authorize or permit a legally required rest period. Labor Code section 226.7; Wage Order 4 at § 12.

Employee alleges that Employer failed to authorize or permit him and other current and former aggrieved California-based hourly non-exempt employees to take all legally required and compliant rest periods due to Employer's policies, practices, and/or procedures including, but not limited to, the following:

- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to travel to a designated area away from their workstations during their rest periods. Employers did not elongate or otherwise extend Employee and other current and former aggrieved California-based hourly non-exempt employees rest period times to account for travel time between their workstations and the designated break area resulting in rest periods less than a net 10-minutes.
- Failing to provide Employee and other current and former aggrieved California-based hourly non-exempt employees with net ten (10) minute rest breaks for every four (4) hours worked or major fraction thereof during on-call hours worked.

Employee and other Aggrieved Employees personally suffered these violations. Employee is further informed and believes, and based thereon alleges, that Employer's conduct above that gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Additionally, Employee alleges that Employer maintained a policy, practice, and/or procedure whereby they failed to pay Employee and other current and former aggrieved California-based hourly non-exempt employees a rest period premium wage of one (1) additional hour of pay at their regular rate of compensation for each workday that they did not receive all legally required and compliant rest periods, in violation of Labor Code section 226.7 and Wage Order 4 at § 12.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 2699(f)(2), on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to authorize or permit all legally required and compliant rest periods and/or failure to pay rest period premium wages, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay rest period premiums and/or pay rest period premiums at the proper regular rate of pay rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross and net wages earned, in violation of Labor Code sections 226(a)(1 & 5).

4. *Failure to Indemnify Employees for Employment-Related Expenditures in Violation of Labor Code Section 2802*

Employees allege that during their employment, Employers failed to indemnify them and other current and former California-based employees for all necessary expenditures or losses incurred by them in the discharge of their duties. Labor Code section 2802(a) states, "An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer…"

Employees allege that during their employment, Employers failed to indemnify them and other current and former California-based employees for all necessary expenditures or losses incurred by them in the discharge of their duties due to Employers' policies, practices, and/or procedures including, but not limited to, the following:

- requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to use or purchase their own tools and/or resources in order to work for Employers, including but not limited to Employer calling on-call employees on personal phones while they working on-call for work-related purposes - without reimbursing Employee and other current and former aggrieved California-based hourly non-exempt employees for such use.

Employee and other Aggrieved Employees personally suffered these violations. Employee is further informed and believes, and based thereon alleges, that Employer's conduct above that gave rise to such violations was malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employers' aforementioned policies, practices, and/or procedures resulted in Employees and other current and former aggrieved California-based employees not receiving indemnification for employment-related expenditures, in violation of Labor Code 2802.

Based on this violation, Employees will seek both restitution for themselves and other current and former aggrieved California-based employees for Employers' violations of Labor Code section 2802 and will seek civil penalties under PAGA, Labor Code sections 2698, *et seq.*, on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California.

5. *Failure to Timely Pay Earned Wages During Employment in Violation of Labor Code Section 204*

Employee alleges that during his employment, Employer failed to timely pay Employee's and other current and former aggrieved California-based hourly non-exempt employees' earned wages. In California, wages must be paid at least twice during each calendar month on days designated in advance by the employer as regular paydays, subject to some exceptions. Labor Code §204(a). Wages earned between the 1st and 15th days, inclusive, of any calendar month must be paid between the 16th and the 26th day of that month and wages earned between the 16th and the last day, inclusive, of any calendar month must be paid between the 1st and 10th day of the following month. *Id*. Other payroll periods such as those that are weekly, biweekly, or semimonthly, must be paid within seven (7) calendar days following the close of the payroll period in which wages were earned. Labor Code §204(d).

As a derivative of Employee's claims above, Employee alleges that Employer failed to timely pay him and other current and former aggrieved California-based hourly non-exempt employees' earned wages (including minimum wages, meal period premium wages, and/or rest period premium wages), in violation of Labor Code section 204. Employer's aforementioned policies,

practices, and/or procedures resulted in Employer failing to pay Employee and other current and former aggrieved California-based hourly non-exempt employees their earned wages within the applicable time frames outlined in Labor Code 204. Plaintiff also believes these failures were malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California.

6. *Secret Payment of Wages Lower Than Designated by Statute, in Violation of Labor Code Section 223*

Labor Code section 223 provides that, where any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or contract. By engaging in the unlawful conduct alleged herein, including by failing to pay wages no less than the applicable legal minimum and overtime wages, and also meal and rest break premiums, as established by Labor Code sections 226.7, 510, 1194, 1197 and sections 11 and 12 of the applicable IWC Wage Orders, as incorporated by Labor Code section 1198, the Employer secretly paid a lower wage than designated by statute while purporting to pay the wages designated by statute, in violation of Labor Code section 223. The Employee with therefore pursue the civil penalties established by Labor Code section 225.5 for all such violations of Labor Code section 223, on behalf of the LWDA and against Employer if authorized to file a representative action on behalf of the State of California. Plaintiff also believes these failures were malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

7. *Failure to Provide Complete and Accurate Wage Statements in Violation of Labor Code 226*

Labor Code section 226(a) states that "[a]n employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee…an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee…(3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer…and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee…."

Employee alleges that as a derivative of Employee's claims above, Employer failed to provide accurate wage and hour statements to Employee and other current and former aggrieved California-based hourly non-exempt employees who were subject to Employer's control for uncompensated time and who did not receive all their earned wages (including minimum wages,

meal period premium wages, and/or rest period premium wages), as such failures rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9). Plaintiff believes these failures were willful and intentional. Plaintiff also believes these failures were malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Based on these violations, Employee will seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.,* under Labor Code section 226.3 and/or Labor Code section 2699(f)(2) on behalf of LWDA, against Employer if authorized to file a representative action on behalf of the State of California.

8. *Failure to Timely Pay all Earned Wages and Final Wages due at Time of Separation of Employment in Violation of Labor Code Sections 201, 202, 203*

Labor Code section 201(a) states that "[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Labor Code section 202(a) continues, "[i]f an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter…." Finally, Labor Code section 203(a) provides, "[i]f an employer willfully fails to pay…any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days…."

As a result of the aforementioned violations of the Labor Code, Employee alleges that he was not paid his final wages in a timely manner as required by Labor Code section 203. Earned wages (including minimum wages, meal period premium wages, and/or rest period premium wages) (all described above), were not paid at the time of Employee's separation of employment. Employee is informed and believes and thereon alleges that former aggrieved California-based hourly non-exempt employees who separated from Employer, whether voluntarily or involuntarily, were not paid all wages due in a timely manner, as required by Labor Code sections 201, 202, and 203. Plaintiff believes these failures were willful and intentional. Plaintiff also believes these failures were malicious, fraudulent, or oppressive. Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Based on these violations, Employee will seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.,* under Labor Code section 2699(f)(2) on behalf of LWDA, against Employer if authorized to file a representative action on behalf of the State of California.

CONCLUSION

Our client intends to file a representative action pursuant to PAGA concerning his wage claims as warranted by Employer's violations of Labor Code sections 201, 202, 203, 204, 223, 226, 226.7, 512, 1194, 1197, 2802, and sections 3, 4, 11 and 12 of the applicable IWC Wage Orders. This letter is being sent to you as an inquiry into whether LWDA wishes to investigate my client's claims for civil penalties associated with Employer's violations of the Labor Code, as alleged herein. Thank you for your assistance and cooperation in this matter. If you have any questions or concerns, please contact me at the above-listed information.

Very truly yours,
LAVI & EBRAHIMIAN, LLP



Gregory K. Okada, Esq.

“EXHIBIT 4”