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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF FRESNO

PASCUAL LUJAN, individually and on behalf of other similarly situated employees and aggrieved employees pursuant to the California Private Attorneys General Act, Plaintiffs, vs. GUSMER ENTERPRISES, INC.; and DOES 1 through 25, inclusive, Defendants.	Case No. 24CECG00166 *Honorable Kristi Culver Kapetan, Department 502* **DECLARATION OF ANNABEL BLANCHARD IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Date: March 10, 2026 Time: 3:27 p.m. Dept.: 502 Complaint Filed: January 11, 2024 FAC Filed: August 26, 2025 Trial Date: Not Set

DECLARATION OF ANNABEL BLANCHARD

I, Annabel Blanchard, declare and state as follows:

1. I am an attorney duly licensed to practice law in all Courts of the State of California. I am a member of Blackstone Law, APC ("Class Counsel"), attorneys of record for Plaintiff Pascual Lujan ("Plaintiff"). I have personal knowledge of the facts contained herein, and, if called to testify, I could and would competently do so.

Experience and Adequacy of Blackstone Law, APC

2. Blackstone Law, APC was started in February 2018, representing plaintiffs in individual and representative employment litigation. The firm has grown exponentially over the past seven-plus years, now maintaining over thirty highly pedigreed attorneys working on almost exclusively labor and employment class actions, California Labor Code Private Attorney General Act of 2004 ("PAGA") cases, and individual matters, with roughly 15% of the firm focused on other complex general litigation matters. Below is a summary of the experience and qualifications of the attorneys from Blackstone Law, APC who primarily have been responsible for the representation of Plaintiff in connection with the resolution of the above-captioned matter.

3. Jonathan M. Genish is the founder of Blackstone Law, APC. He received his law degree from Benjamin N. Cardozo School of Law and was admitted to the California State Bar in 2008. During law school, he clerked at the litigation firm Oved & Oved, LLP and was published several times in various small publications. Upon graduation, he was rehired by Freedman & Taitelman, LLP as an associate and remained employed there from September 2008 through August 2015. During his tenure, he managed hundreds (perhaps thousands) of complex litigation cases, ranging from employment, corporate, entertainment, and general business litigation matters, though his primary area of expertise was employment, both single plaintiff and representative actions. On the vast majority of those cases, he was the only or primary attorney managing the case and thus obtained extensive experience. In that capacity, he conducted wage and hour and wrongful termination labor and employment intakes; was the primary contact for all clients; took and defended hundreds (if not thousands) of depositions; propounded and responded to all discovery; prepared and opposed all motions and pleadings, including dispositive and certification motions; strategized on all cases;

attended all hearings; attended all mediations; coordinated with class action administrators; prepared and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all other intricate facets of litigation. During that time, he represented a wide range of clients from sole proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of the cases he managed were highly publicized, with articles written about them in the Los Angeles Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has regularly honored him as a Southern California Rising Star since 2012.

4. Barbara DuVan-Clarke is a 16-year litigator who joined Blackstone in September 2022 as a Senior Trial Attorney and Team Lead, building on her entire career of litigating single-plaintiff employment, catastrophic injury, and class/PAGA matters with well-known plaintiff-side wage and hour law firms in Los Angeles. She earned her Bachelor of Arts degree from the University of California at Los Angeles in 2003, and then obtained her Juris Doctorate from Case Western Reserve University in Cleveland, Ohio in 2007. Ms. DuVan-Clarke also maintains leadership roles in the California Employment Lawyers' Association ("CELA") and other organizations.

5. Danielle L. GruppChang is a senior associate attorney. She graduated from California Polytechnic University San Luis Obispo in 2013, with a Bachelor of Arts degree in Political Science with a minor in Communication Studies. She then obtained her Juris Doctorate from University of California Law San Francisco (formerly known as University of California Hastings College of the Law), graduating in 2016, and was admitted to the California State Bar in January 2017. She has practiced exclusively plaintiff's side labor and employment class and representative action law from 2017 through the present.

6. P.J. Van Ert is an accomplished attorney who joined Blackstone in 2023, after having worked at an employment litigation firm for 2 years, and prior to that, having served as a District Attorney for over 13 years. In that role, she was a prolific trial attorney, and it is my understanding that she tried over 50 jury trials to verdict. She graduated from University of California at Davis in 2000, with a Bachelor of Arts degree, and from University of California at Los Angeles School of Law with a Juris Doctorate in 2004. She was admitted to the State Bar of California in December 2004.

7. I joined Blackstone Law, APC in January 2024, after having worked for two years at

another highly reputable employment law firm. Prior to working in employment law, I worked for over 14 years as a trusts and estates attorney, focused on special needs planning. During that time, I also worked as Court Appointed Counsel for the Los Angeles Superior Court, representing proposed conservatees. I graduated from University of California at Berkeley with a Bachelor of Arts degree in 2001, and from Southwestern University School of Law with a Juris Doctorate in 2008. I was admitted to the State Bar of California in December of 2008. I have worked on many wage and hour class action and PAGA representative matters, and my work has included, *inter alia*, researching and drafting pleadings, drafting, negotiating, and finalizing settlement agreements, engaging in motion practice, and claims evaluation and analysis.

8. Blackstone Law, APC has been counsel of record on several class action and PAGA actions that have since been resolved, the most recent of which are attached hereto as **Exhibit 1**.

Procedural History of the Action

9. On January 11, 2024, Plaintiff filed a Class Action Complaint in the action entitled *Pascual Lujan v. Gusmer Enterprises, Inc.*, Fresno County Superior Court Case No. 24CECG00166 ("Action"), thereby commencing a putative class action against Defendant.

10. On March 21, 2025, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") by online submission and to Defendant Gusmer Enterprises, Inc. ("Defendant") by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specified provisions of the California Labor Code alleged to have been violated by Defendant ("PAGA Letter"). A true and correct copy of the PAGA Letter is attached hereto as **Exhibit 2**.

11. On August 26, 2025, Plaintiff filed a First Amended Class and Representative Action Complaint ("Operative Complaint") in the Action. The Operative Complaint alleges ten (10) causes of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment, failure to provide accurate wage statements, failure to timely pay wages upon termination, and failure to reimburse necessary business expenses, for violations of California

Business & Professions Code Section 17200, *et seq*. based on the aforementioned California Labor Code violations, and for civil penalties under PAGA based on the aforementioned California Labor Code violations.

12. On January 30, 2025, Plaintiff and Defendant (together, the "Parties") participated in a formal mediation conducted by Bret Geckeler, Esq. ("Mediator"), a neutral and respected mediator with extensive experience in complex wage and hour matters, and with the assistance of the Mediator's evaluations, the Parties were able to reach an agreement to resolve this dispute on a class and representative basis. The Parties then worked diligently to negotiate and memorialize the terms in a long form settlement agreement.

13. On November 14, 2025, the Parties executed the Joint Stipulation of Class Action and PAGA Settlement ("Settlement" or "Settlement Agreement"). A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 3**.

Summary of the Terms of the Settlement Agreement

14. For purposes of settlement only, the Parties have agreed that the Class shall be defined as "all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the Class Period (excluding any employee who, before the inception of this Action, signed a severance or settlement agreement containing a full release of claims)" ("Class" or "Class Member(s)"). The Class Period means the period from January 11, 2020, through Preliminary Approval. Based on information provided by Defendant, as of November 21, 2025, it was estimated that there were a total of ninety-eight (98) Class Members.

15. The Parties have agreed to settle the class and PAGA claims at issue in the Operative Complaint for a non-reversionary Gross Settlement Amount of two hundred ninety-five thousand dollars ($295,000), exclusive of employer-side payroll taxes. The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees, and other allocations. The Gross Settlement Amount includes: (1) Class Counsel's fees in the amount of up to one-third (1/3) of the Gross Settlement Amount (i.e., $98,333 if the Gross Settlement Amount is $295,000); (2) Class Counsel's actual litigation costs and expenses, not to exceed twenty thousand dollars ($20,000); (3) Settlement Administration Costs, not to exceed six thousand dollars ($6,000); (4) Enhancement

Payment in the amount of seven thousand five hundred dollars ($7,500); and (5) PAGA Amount of thirteen thousand dollars ($13,000). After the above-estimated amounts are deducted from the Gross Settlement Amount, the Net Settlement Amount that will be available for Class Members is currently estimated to be one hundred fifty thousand one hundred sixty-seven dollars ($150,167). Additionally, 35% of the PAGA Amount ("PAGA Employee Amount"), which is $4,550 out of $13,000, will be fully distributed to "all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period" ("PAGA Employee(s)"). The "PAGA Period" is defined as the period from March 21, 2024 through Preliminary Approval.

16. The Net Settlement Amount will be distributed and paid to all Class Members who do not submit a timely and valid Request for Exclusion ("Settlement Class Member(s)") on a *pro rata* basis based on the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period ("Workweeks"). The *pro rata* share of the Net Settlement Amount that a Settlement Class Member may be eligible to receive under the Class Settlement ("Individual Settlement Share") will be calculated by the Settlement Administrator, in accordance with the Settlement Agreement.

17. The PAGA Employee Amount will be distributed and paid to all PAGA Employees on a *pro rata* basis based on the number of pay periods each PAGA Employee worked for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period ("Pay Periods"). The *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement ("Individual PAGA Payment") will be calculated by the Settlement Administrator, in accordance with the Settlement Agreement.

18. Each Individual Settlement Share will be allocated as five percent (5%) wages, five percent (5%) reimbursement, and ninety percent (90%) in consideration for the release and to settle claims for penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their

net payment of their Individual Settlement Share ("Individual Settlement Payment"). The employer's share of taxes and contributions in connection with the wages portion of Individual Settlement Shares will be paid by Defendant separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

19. The Settlement Agreement is a non-reversionary and non-claims made settlement. The Net Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount will be fully distributed to the LWDA and PAGA Employees, in accordance with the Settlement Agreement. No money will revert to Defendant.

20. Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds associated with such canceled checks will be distributed by the Settlement Administrator to the State of California's Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee.

The Settlement is Reasonable

Informed Arms-Length Negotiations

21. The Parties' settlement negotiations were at all times made at arm's-length and were adversarial. The Settlement was reached following a full day of mediation with a highly respected mediator with substantial experience mediating wage and hour cases, and Plaintiff engaged in additional negotiations in order to finalize the long-form agreement presently before the Court.

22. The Parties engaged in extensive informal discovery prior to reaching a settlement. Prior to mediation, Defendant produced a random sampling of putative class members' time and pay records as well as multiple iterations of Defendant's employee handbook, (which included, *inter alia*, job descriptions, wage and hour policies regarding work schedules, time recording, meal and rest breaks, and meal break waivers, overtime, and hand tools; and time-off policies regarding vacation, sick leave, holidays, FMLA/CFRA, pregnancy disability leave), and information regarding the total number of putative class members, the number of current versus former employees, the total workweeks worked by the putative class members, and the average rate of pay for the putative class

members.

23. This allowed Class Counsel to conduct an informed assessment and analysis of the strengths and weaknesses of the claims and the potential class-wide damages.

24. Based on the information exchanged, the Parties extensively briefed issues regarding class certification and liability and provided their analyses to the Mediator who helped the Parties debate the strengths and weakness of their respective positions.

Estimate of Potential Value of Claims

25. Class Counsel analyzed all available data and estimated Defendant's maximum potential exposure to be approximately $2,728,978, assuming the litigation was successful at trial on all claims at issue and every employee had a violation for each claim on every shift worked. This maximum potential analysis was then reduced based on the challenges facing the likelihood of obtaining class certification, prevailing at trial, and other attendant risks. This estimate is based off an estimated maximum liability for all claims at issue and the total aggregate workweeks during the relevant time period, less interest, and based on the analysis of the data which was extrapolated out for all putative class members across the entire putative class period, which included: $157,071 for meal period violations (less meal period premiums paid); $1,602,148 for rest period violations at a 100% violation rate; $289,502 for unpaid off-the-clock work for 1 hour per workweek of off-the-clock work; $61,764 for unpaid sick pay at the required regular rate of pay; $88,920 for unreimbursed business expenses; $305,573 for waiting time penalties; and $224,000 for wage statement penalties. Plaintiff further estimated that Defendant faced an additional exposure of $196,300 in potential, non-stacked (i.e., one penalty, per employee, per pay period during the PAGA statutory period) PAGA penalties. Together with the PAGA penalties, Defendant's maximum potential exposure totaled $2,925,278 in damages.

Specific Risks Considered

26. Although the investigation and information discovered supports Plaintiff's contentions, Defendant raised potential defenses and other circumstances that impacted the risk of proceeding on a class-wide basis. Consideration of these risks factored into the negotiations and the decision to enter the Settlement.

27. Class Counsel is aware of Defendant's defenses and arguments and has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in class and/or representative adjudication. Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted in the Action, Defendant's defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiff has also considered the Parties' settlement discussions, as well as the evaluations of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

28. Defendant denied and continues to deny any liability and wrongdoing of any kind associated with the claims alleged in the Action, and further denies that class certification is appropriate for any purpose other than the Settlement. Defendant believes that it would ultimately prevail in the Action. Defendant proffered defenses to both certification and to the merits of Plaintiff's claims. Defendant contended that Plaintiff's claims are not suitable for class certification because individual issues would predominate should this case go to trial. As with all class actions, these complex cases raise difficult management and proof issues and, accordingly, there is a significant risk that the Court may deny class certification.

29. For example, Plaintiff's meal period claims, which were based on Defendant's alleged failure to provide lawful meal periods, have been increasingly difficult to certify in recent years. Plaintiff's theory of liability for meal period violations was based on allegations that Defendant had failed to implement its policies and that its practices failed to allow Class Members to take meal breaks in the manner required under California law. Defendant contended that its policies and practices at all times during the Class Period were lawful, and moreover that much of its workforce had executed valid meal period waivers. Indeed, Plaintiff's analysis revealed only a 10% violation rate for purported unique meal period violations. Defendant further argued that the rate of purported meal period violations reflected in the data would require individualized inquiry and that such inquiry would prohibit a class from being certified. We also had to consider the risk that the Court would find validity in the individualized proof defense to certification of Plaintiff's meal period claim.

30. Additionally, a large portion of Defendant's overall liability lies in Plaintiff's rest period allegations. As with the meal period allegations, Defendant contended that it had a lawful

written rest period policy, provided compliant rest breaks, and relieved Class Members of all duties as required under California law. Additionally, this claim was even more uncertain given the difficulties associated with proving the alleged rest period violations, as Defendant was not required to record these breaks. Given the lack of records demonstrating rest period violations, there were legitimate concerns Plaintiff would not be able to certify these claims or prove substantial damages with requisite certainty, which made the estimated value of this claim subject to much challenge.

31. Plaintiff also faced challenges certifying and proving liability for his minimum wage and overtime claims. These claims were largely based on Defendant's unrecorded, off-the-clock work performed by the Class Members both before and after their shifts and during purported meal periods. For example, employees reported that they were expected to answer work-related phone calls, set up work-stations, or clean up projects, all when not on duty (before or after shifts, or during meal periods). However, the individualized nature of why this work was performed and the individualized nature of damages presented substantial concerns regarding the manageability of the case and the risk the Court could find these issues prevented certification, and the estimated damages for this claim were based on an assumption that all Class Members worked off the clock for at least one hour per week.

32. Plaintiff also contended that Defendant failed to reimburse Plaintiff and the other Class Members for necessary business-related expenses, such as the purchase of hand tools, usage of personal vehicles, and usage of personal cell phones for work-related purposes. Defendant contended that it had a policy and practice of reimbursing employees for necessary business-related expenses. Defendant further contended that, with respect to the alleged expenses for which Plaintiff and the other Class Members never requested reimbursement from Defendant, it did not know and had no reason to know that alleged business-related expenses had been incurred. Defendant further contended that the reason why a Class Member undertook certain expenses, while not others, and failed to receive reimbursement for certain expenses while not others, would raise individual issues that could not be certified.

33. There are also substantial risks associated with Plaintiff's waiting time penalties and wage statement claims. First, these claims were derivative of Plaintiff's claims for unpaid meal period premiums, unpaid rest period premiums, unpaid minimum wages, and unpaid overtime wages, and if

certification was denied on those underlying claims, these derivative claims for penalties would also likely fail. Further, even if Plaintiff prevailed on his underlying claims, he would still be required to demonstrate that Defendant's violations of California Labor Code section 203 were *willful* violations. Wage statement claims have also seen varying treatment at the appellate level because such claims have an element of discretion attached to them rather than a pure calculation of damages after liability is proven. Accordingly, these derivative claims, which comprised a substantial portion of Defendant's estimated liability, were therefore uncertain.

34. Class Counsel also recognized that, even if Plaintiff prevailed at class certification, proving the amount of wages due to each Class Member would be an expensive, time-consuming, and extremely uncertain proposition. In order to prove liability and damages, Class Counsel will need to request and analyze thousands of pages of documents, obtain the Class Members' contact information, contact them, and obtain declarations at great expense. Obtaining the cooperation of current employees would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current employer. On the other hand, Defendant would likely be able to obtain the cooperation of its employees. Moreover, even if Plaintiff prevailed at class certification and trial, possible appeals would substantially delay any recovery by the Class.

35. Therefore, taking into account how each of the above risks potentially effected Plaintiff's ability to first obtain class certification, and then prove the underlying violations, plus the cost and delay in recovering the alleged potential damages, Class Counsel discounted Defendant's estimated liability based on the challenges facing his ability to succeed on class certification by 75% to $731,319.50. The merits-based risk factors further reduced Defendant's estimated liability by an additional 60%. This resulted in an adjusted estimated liability of $292,527.80. In light thereof, the settlement amount of $295,000.00 is a significant settlement.

36. Class Counsel also separately contemplated the risks of proceeding with the PAGA claims and potential liability Defendant could face from these claims as part of the global resolution. Existing case law makes PAGA claims subject to the same defenses and risks as Plaintiff's underlying wage claims. Class Counsel also anticipated that even if successful on the merits at trial, the imposition of cumulative civil penalties based on the alleged wage and hour violations could be

considered unjust, arbitrary and oppressive, or confiscatory, and that Defendant would argue that it made a good faith attempt to comply with its legal obligations warranting a reduction in penalties. Class Counsel also anticipated **Error! Reference source not found.** would argue that the violations per pay period were low, warranting an additional reduction in civil penalties. Finally, we were also mindful of the fact that PAGA is fundamentally not intended to be compensatory in nature but is instead intended to facilitate enforcement of California's labor laws by financing state activities and educating and deterring non-compliance.

37. Therefore, after considering this multitude of factors, we concluded that it was in the best interest of the State of California and the PAGA Employees to enter into the Settlement, and to allocate thirteen thousand dollars ($13,000) of the Gross Settlement Amount towards the PAGA claims, which represents approximately 4.4% of the Gross Settlement Amount**Error! Reference source not found.**. This percentage of the settlement is well-within the range of wage and hour settlements regularly approved in both state and federal court for cases that include both a class and PAGA action. Typically, such hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims, and, indeed, settlements allocations as little as 0.22% of the gross settlement amount have been approved as reasonable by courts. Moreover, the overall relief obtained by the Settlement is significant, not only from a monetary perspective, but also because it fulfills the public policy objectives of PAGA—to promote enforcement of California's labor laws, provide funds to the state, and deter future non-compliance by the employer.

38. Class Counsel therefore submits that the Settlement is fair, reasonable, and adequate. The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State of California and is within the accepted range of recoveries for this type of litigation given the inherent risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further litigation.

Enhancement Payment

39. As part of the Settlement Agreement, Plaintiff is requesting a reasonable Enhancement Payment of seven thousand five hundred dollars ($7,500) to Plaintiff Pascual Lujan. This Enhancement Payment is eminently reasonable given the time and effort Plaintiff spent on this case,

and the benefit to the Class Members as a result of Plaintiff's actions. Notice of the requested Enhancement Payment is disclosed to the Class Members in the Class Notice.

Attorneys' Fees and Costs

40. The attorneys' fees incurred by Class Counsel are in line with the common fund requested. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to one-third (1/3) of the Gross Settlement Amount (i.e., $98,333 if the Gross Settlement Amount is $295,000) and actual litigation costs and expenses in an amount not to exceed twenty thousand dollars ($20,000), which will be paid out of the Gross Settlement Amount, subject to approval by the Court. Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

41. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated into tangible monetary benefits as follows: (1) Class Members, the State of California, and PAGA Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting additional years for the same, or potentially worse, result; (2) a guaranteed result that compares favorably with other similar class action settlements of this type, given the strengths and weaknesses of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only increased significantly had the case progress through certification, trial, and/or upon appeal.

42. Class Counsel has litigated this matter for over two years and was actively preparing this matter for class certification and trial. The Motion for Final Approval will elaborate on the nature of the legal services provided, the time incurred in performing those services, and Class Counsel's hourly rates. The Motion for Final Approval will also elaborate on the reimbursement costs sought by Class Counsel. Notice of the requested Attorneys' Fees and Costs is disclosed to the Class Members in the Class Notice.

Notice to the Class

43. The Parties have agreed to retain ILYM Group, Inc. ("ILYM" or "Settlement Administrator") to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint ILYM to handle these procedures and to serve as the Settlement Administrator. Defendant will provide ILYM with the Class List and ILYM will calculate each Class

Member's estimated Individual Settlement Share and each PAGA Employee's estimated Individual PAGA Payment. ILYM will also receive and process Requests for Exclusion, Notices of Objection, and Disputes; will provide necessary reports and declarations; will calculate, subtract, and transmit necessary taxes and withholdings with respect to the wages portion of the Individual Settlement Shares; will prepare and submit informational and other tax filings and documents; will issue and transmit all payments provided for by the Settlement, including, but not limited to, mailing Individual Settlement Payment checks to the Settlement Class Members and Individual PAGA Payment checks to the PAGA Employees; and perform any other usual and customary duties for administering a class action settlement.

44. I am not aware of an alternative method of providing notice to the Class which would result in a higher likelihood of actual notice. The original source of the mailing addresses is from each Class Member, who provided the information to Defendant. As a fail-safe to this highly reliable method, skip tracing will be performed, if necessary.

Notice of Settlement to the LWDA

45. In accordance with California Labor Code section 2699(l)(2), on February 9, 2026, a copy of the proposed Settlement was submitted to the LWDA via online submission through the LWDA's website. A true and correct copy of the email from the LWDA confirming receipt is attached hereto 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 on February 12, 2026, at Los Angeles, California.

A. Blanchard
Annabel Blanchard

EXHIBIT 1

- *Anu Verma v. SingerLewak LLC*, Los Angeles County Superior Court, Case No. 24STCV11344, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Toby Lanzarin, et al. v. Building Material Distributors, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00330343-CU-OE-GDS, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Kassandra Herndon, et al. v. Agreeya Solutions, Inc.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0002783, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Damon Siler, et al. v. Call-The-Car dba Call the Car*, Los Angeles County Superior Court, Case No. 24STCV07514, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Daniel Ochoa-Lopez v. CorTech West Staffing, LLC, et al.*, Los Angeles County Superior Court Case No. 23STCV19480, approved as counsel in settlement of representative wage and hour action pursuant to PAGA
- *Juan Escobedo v. Block Tops, Inc.*, Orange County Superior Court, Case No. 30-2023-01356309-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Antonio Quintero v. Weyerhaeuser NR Company*, Los Angeles County Superior Court, Case No. 23STCV02624, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cristo Hernandez v. Eldorado National (California), Inc.*, Riverside County Superior Court, Case No. CVRI2201056, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rigoberto Tecaliz v. National Restaurant Inc. dba Black Bear Diner*, San Diego County Superior Court, Case No. 37-2023-00046906-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Cecilia Estrada v. The Roman Catholic Archbishop of Los Angeles*, Los Angeles County Superior Court, Case No. 24STCV07184, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Davis v. JAJ Roofing dba Citadel Roofing and Solar*, Sacramento County Superior Court, Case No. 23CV011004, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Aurelio Aguilar v. Supreme Car Wash, Inc.*, Los Angeles County Superior Court, Case No. 21STCV29696, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Aaron Coffey v. Catalina Channel Express, Inc.*, Los Angeles County Superior Court, Case No. 21STCV41396, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0006866, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Mario Fosados v. Drew Chain Security Corp.*, Los Angeles County Superior Court, Case No. 24STCV00519, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jose Manuel Amaro Bernal v. Joseph Holt Plastering, Inc.*, Los Angeles County Superior Court, Case No. 24STCV15637, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Brandon Geston v. FRTO LLC, et al.*, Fresno County Superior Court, Case No. 24CECG01292, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Alfonso Herrera v. W.L. Butler Construction, Inc., et al.*, Orange County Superior Court, Case No. 30-2023-01335445-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Marcos Ojendiz, et al. v. Jonathan Louis International*, Los Angeles County Superior Court, Case No. 21STCV35253, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Emmanuel Caldera v. Zeb's World Famous Boathouse Inc. dba Goat Hill Tavern*, Orange County Superior Court, Case No. 30-2023-01310801-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alex Javier Nakamoto v. Skydio, Inc.*, Alameda County Superior Court, Case No. 24CV062913, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jason McEntee v. Roche Molecular Systems, Inc.*, Alameda County Superior Court, Case No. 23CV041360, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexzander Roberts, et al. v. Lemonade Restaurant Group*, Los Angeles County Superior Court, Case No. 22STCV38302, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Halla Knotts v. Launch Technical Workforce Solutions, LLC*, San Bernardino County Superior Court, Case No. CIVSB2332568, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Armando Gastelum v. Premier Trailer Manufacturing, Inc.*, Tulare County Superior Court, Case No. VCU300333, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Tiffany Patterson v. Black Mountain Healthcare, LLC., d/b/a Seaport Home Health & Hospice*, San Diego County Superior Court, Case No. 37-2023-00037563-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Angel Rodriguez v. American Textile Maintenance*, Los Angeles County Superior

Court, Case No. 22STCV17855, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Rita Ray v. Families Together of Orange County*, Orange County Superior Court, Case No. 30-2023-01324555-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ly Hai v. Sunroad HS Auto, Inc.*, San Diego County Superior Court, Case No. 37-2022-00025788-CU-OE-CTL, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Anabel Perez v. Eureka Specialties, Inc.*, Los Angeles County Superior Court, Case No. 22STCV35940, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Galicia v. Virco, Inc., et al.*, Los Angeles County Superior Court, Case No. 23STCV29425, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Rene Umana v. Columbus Technologies*, Los Angeles County Superior Court, Case No. 22STCV16432, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Sitara Nayabkhil v. San Francisco SPCA (dba SFSPCA), a California 501(c)(3) non-profit organization*, San Francisco County Superior Court, Case No. CGC-23-609950, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Fernando Solis v. Tuff Shed, Inc.*, Los Angeles County Superior Court, Case No. 24VECV00368, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tyler Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz Superior Court, Case No. 24CV00244, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Odalys Montejo v. Team Nissan LLC*, Ventura County Superior Court, Case No. 2023CUOE017853, approved as counsel in settlement of representative wage and hour action pursuant to PAGA
- *Vanessa Cortes v. Giti Tire (USA) LTD*, San Bernardino County Superior Court, Case No. CIVSB2332578, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jered Ortega v. YMCA of San Diego County*, San Diego County Superior Court, Case No. 37-2023-00043645-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Christa Morton, et al. v. PSI Services, LLC*, Fresno County Superior Court, Case No. 24CECG00039, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.

- *Daniel Rodriguez v. Republique, LLC*, Los Angeles County Superior Court, Case No. 23STCV14521, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour

class action.

- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.,* San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with

other counsel, in final settlement of wage and hour class and PAGA action.

- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.,* Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.,* Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.,* Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers,* Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics,* Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

EXHIBIT 2

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Barbara DuVanClarke, Esq.
BDC@blackstonepc.com

March 21, 2025

PAGA Claim Notice Via Online Electronic Submission
California Labor & Workforce Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814
https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html

RE: ***Pascual Lujan v. Gusmer Enterprises, Inc.***

To Whom It May Concern:

This office represents Pascual Lujan ("Claimant") with respect to their claims under the California Labor Code against Gusmer Enterprises, Inc. (including all affiliates, subsidiaries, parents, directors, and officers) (collectively referred to herein as "Employers"). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Pascual Lujan from approximately December 2019 to May 2022 as a non-exempt, hourly-paid employee. Pascual Lujan worked as a maintenance mechanic for Employers and was based out of Employers' facility located in Fresno, California.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq*. ("PAGA"). Claimant is seeking penalties on behalf of themself and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period who suffered the violations alleged ("Aggrieved Employees"). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant's notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California's wage and hour laws during Claimant's employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, 2802, and the applicable Industrial Welfare Commission Wage Order ("IWC Wage Order"). Employers' conduct giving rise to the violations detailed below was malicious, fraudulent, and/or oppressive within the meaning of PAGA.

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The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and the applicable IWC Wage Order require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and the applicable IWC Wage Order further require employers to pay no less than one and one-half times an employee's regular rate of pay for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice an employee's regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time, Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock. Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law.

Examples include but are not limited to, instances where Claimant and Aggrieved Employees performed work after clocking out, and instances where they were required to gather their work materials and gear up before clocking in, additionally, Claimant and Aggrieved Employees frequently received and replied to calls and texts during times when they were off-duty and they were not on call, without being compensated for it.

This uncompensated work often resulted in the total number of hours worked by Claimant and other Aggrieved Employees exceeding the daily and/or weekly triggers for overtime wages, yet Employers failed to pay Claimant and Aggrieved Employees applicable overtime rate(s) for these hours.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. Employers also failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated the applicable

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IWC Wage Order and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; injunctive relief; and attorneys' fees and costs.

2. MEAL BREAK VIOLATIONS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7 & 512(a). Employers must provide a second meal period of no less than thirty (30) minutes before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. *Id.* For each day that an employer fails to provide compliant meal period(s), the employer must pay the employee a meal penalty equal to one hour of pay at the employee's regular rate of compensation. *Id.*

During the relevant time period, Employers failed to provide Claimant and other Aggrieved Employees with legally compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5^{th}) hour of work, and/or to take their second meal periods after their tenth (10^{th}) hour of work. Meal breaks, when provided, were oftentimes interrupted and/or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded their own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal

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periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for each day a compliant meal period was not provided to them in compliance with California law.

Examples include, but are not limited to, instances where Claimant and Aggrieved Employees' meal breaks were often interrupted, so that they could handle work related matters such as covering for other coworkers. Due to understaffing and the heavy workloads, Claimant and Aggrieved Employees often had to take their meal breaks at the end of their shifts because there was no opportunity to take breaks during work hours. There were times when Claimant and Aggrieved employees were not able to take their second meal break by the 10th hour of work, and were not compensated for missing their second meal breaks.

Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 226.7, 512(a) and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; injunctive relief; and attorneys' fees and costs.

3. REST BREAK VIOLATIONS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. For each day that an employer fails to authorize and permit a compliant rest period, the employer owes the employee one hour of pay at the employee's regular rate of compensation. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.,* 2 Cal.5th 257 (2016).Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers'

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management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for each day a rest period was not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 226.7 and 1198.

Examples include, but are not limited to, Claimant and Aggrieved Employees being unable to take their rest breaks due to the heavy workloads, or, when they were able to take their breaks, being interrupted constantly with work-related matters. Despite missing their breaks and not being able to take uninterrupted breaks, Claimant and Aggrieved Employees did not receive any compensation for the non-compliant rest periods.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; injunctive relief; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month.

California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers willfully and intentionally failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia,* overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

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Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; injunctive relief; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (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, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described above, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. Employers' failure to provide accurate itemized wage statements was knowing and intentional. Accordingly, Employers violated California Labor Code section 226(a).

Examples include, but are not limited to, Claimant and Aggrieved Employees' pay stubs not matching the hours that they actually worked, with some of their worked hours missing from their pay.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; injunctive relief; and attorneys' fees and costs.

6. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The applicable IWC Wage Order requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers.

Accordingly, Employers violated the applicable IWC Order and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; injunctive relief; and attorneys' fees and costs.

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7. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Employers failed to pay all wages due to their employees within twenty-four (24) hours of termination or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Claimant and Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Claimant and Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Claimant and Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

8. CONCLUSION

Claimant hereby provides notice to the LWDA under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq.*, and specifically asks for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that Claimant may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, *et seq.*, by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to

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bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this timeframe.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Barbara DuVan-Clarke Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

Gusmer Enterprises, Inc.
MARLA JEFFREY
81 M STREET
FRESNO, CA 93721

EXHIBIT 3

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement ("Settlement," "Agreement," or "Settlement Agreement") is made and entered into by and between Plaintiff Pascual Lujan ("Plaintiff" or "Class Representative"), individually, and on behalf of all others similarly situated and on behalf of the State of California with respect to aggrieved employees, and Defendant Gusmer Enterprises, Inc., ("Defendant") (together, Plaintiff and Defendant are referred to as "Parties" and individually as "Party").

This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as defined herein), the State of California as to the employment of PAGA Employees (as defined herein), and Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On January 11, 2024, Plaintiff filed a Class Action Complaint for Damages in the action entitled *Pascual Lujan v. Gusmer Enterprises, Inc.*, Fresno County Superior Court Case No. 24CECG00166 ("Action"), thereby commencing a putative class action against Defendant.

2. On March 21, 2025, Plaintiff provided written notice to the Labor and Workforce Development Agency ("LWDA") by online submission and to Defendants by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor Code alleged to have been violated by Defendants ("PAGA Letter").

3. On August 26, 2025, Plaintiff filed a First Amended Class and Representative Action Complaint ("Operative Complaint") in the Action, which added a cause of action pursuant to PAGA to the existing claims in the Action.

4. The Operative Complaint alleges ten (10) causes of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to timely pay wages upon termination, and failure to reimburse necessary business expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil

penalties under PAGA based on the aforementioned California Labor Code violations.

5. Defendant denies all material allegations set forth in the Action and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Action, Released Class Claims (as defined herein), and Released PAGA Claims (as defined herein).

6. Class Counsel diligently investigated the class and PAGA claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and documents, and review of corporate policies and practices. The Parties have engaged in sufficient informal discovery and investigation to assess the relative merits of the claims and contentions of the Parties.

7. On January 30, 2025, the Parties participated in mediation with Bret Geckeler, Esq. (the "Mediator"), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator's evaluations and ongoing direct negotiations, the Parties reached the settlement that is memorialized herein. The Parties' settlement discussions were conducted at arms' length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on Class Counsel's investigation and evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, State of California, and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

8. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

9. The following definitions are applicable to this Settlement Agreement. Definitions

contained elsewhere in this Settlement Agreement will also be effective.

a. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for Class Counsel's litigation and resolution of the Actions and all actual costs and expenses incurred and to be incurred by Class Counsel in connection with the Actions, as set forth in more detail and below in this Agreement.

b. "Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the Class Period (excluding any employee who, before the inception of this Action, signed a severance or settlement agreement containing a full release of claims).

c. "Class Counsel" means Jonathan M. Genish, Barbara Du-Van-Clarke, P.J. Van Ert, and Annabel Blanchard of Blackstone Law, APC, who will seek to be appointed counsel for the Class.

d. "Class List" means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security number; (4) hire and termination dates; and (5) the number of Workweeks and Pay Periods for each Class Member worked for Defendant.

e. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached hereto as "**Exhibit A**."

f. "Class Period" means the period from January 11, 2020, through Preliminary Approval.

g. "Class Settlement" means the settlement and resolution of all Released Class Claims.

h. "Court" means the Superior Court of the State of California for the County of Fresno.

i. "Defendant's Counsel" means Ian B. Wieland and Justin G. Donner of Sagaser, Watkins & Wieland.

j. "Dispute" means a letter submitted by a Class Member disputing the number of Workweeks and/or Pay Periods which have been credited to them, which must: (a) contain the case name and number of the Action; (b) contain the Class Member's full name, signature, address, telephone number, and the last four (4) digits of the Class Member's Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to the Class Member and what the Class Member contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

k. "Effective Date" means the following: (i) if no Settlement Class Member objects to the Class Settlement, then the Effective Date will be the date of Final Approval; or (ii) if any Settlement Class Member objects to the Class Settlement, the Effective Date will be the day after the deadline for filing a notice of appeal from the Final Approval Order and Judgment; or (iii) if a timely appeal is initiated by an objector, then the Effective Date will be the day after final resolution of that appeal and the court issues remittitur (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

l. "Employer Taxes" means the employer's share of taxes and contributions in connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant in addition to the Gross Settlement Amount.

m. "Enhancement Payment" means the amount to be paid to Plaintiff, in recognition of his effort and work in prosecuting the Actions on behalf of Class Members and PAGA Employees, and general release of claims, as set forth below and within this Agreement.

n. "Final Approval" means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

o. "Final Approval Hearing" means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

p. "Final Approval Order and Judgment" means the order granting final approval of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the Parties, and subject to approval by the Court.

q. "Gross Settlement Amount" means the amount of two hundred ninety-five thousand dollars ($295,000) which is the total amount Defendant agrees to pay under the Settlement except as described at the Escalator Clause in this Agreement, and the Employer Taxes. The Gross Settlement Amount is paid by the Defendant in full satisfaction of the Action, Released Class Claims, and Released PAGA Claims, which includes Court approved Attorneys' Fees and Costs, Enhancement Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to the Settlement Class Members. Defendant shall pay the Employer Taxes separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Payment will return to Defendant.

r. "Individual PAGA Payment" means the *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be calculated as further detailed below and within this Agreement.

s. "Individual Settlement Payment" means the net payment of each Settlement Class Member's Individual Settlement Share, after reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as further detailed below and within this Agreement.

t. "Individual Settlement Share" means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated as further detailed below and within this Agreement .

u. "LWDA Payment" means the amount of eight thousand four hundred fifty dollars ($8,450), i.e., 65% of the PAGA Amount, that the Parties have agreed to pay to the LWDA under the PAGA Settlement, as set forth below and within this Agreement.

v. "Net Settlement Amount" means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount less the Court-approved Attorneys' Fees and Costs, Enhancement Payment, PAGA Amount, and Settlement Administration Costs.

w. "Notice of Objection" means a Settlement Class Member's written objection to the Class Settlement, which must : (a) contain the case name and number of the Action; (b) contain the objector's full name, signature, address, telephone number, and the last four (4) digits of the objector's Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline or be made by the Class Member directly to the Court at the Final Approval Hearing.

x. "PAGA Amount" means the allocation of thirteen thousand dollars ($13,000) from the Gross Settlement Amount for the PAGA Settlement. Sixty-five percent (65%) of the PAGA Amount, or $8,450, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining thirty-five percent (35%), or $4,550, will be distributed to the PAGA Employees (i.e., the PAGA Employee Amount).

y. "PAGA Employee(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period.

z. "PAGA Employee Amount" means the amount of four thousand five hundred fifty dollars ($4,550), i.e., 35% of the PAGA Amount, to be distributed to PAGA Employees on a *pro rata* basis based on their Pay Periods.

aa. "PAGA Period" means the period from March 21, 2024, through Preliminary Approval.

bb. "PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

cc. "Pay Periods" means the number of pay periods each PAGA Employee worked for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period.

dd. "Preliminary Approval" means the date on which the Court enters the Preliminary Approval Order.

ee. "Preliminary Approval Order" means the order granting preliminary approval of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by the Court.

ff. "Released Class Claims" means any and all claims which were alleged or which could have been reasonably alleged based on the factual allegations in the Operative Complaint, arising during the Class Period. This shall include, but not be limited to, claims for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide accurate wage statements, and reimburse necessary business-related expenses and any associated California Labor Code Sections including, but not limited to, 201, 202, 203, 204, 210, 221, 226, 226.7, 246, 248, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1197, 1197.1, 1198, 1199, 2800, and 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and Professions Code sections 17200, *et seq*. The Parties acknowledge that there are federal Fair Labor Standards Act provisions that are direct federal law counterparts that meet this definition. By virtue of this release, any claims under the FLSA that are predicated on the Released Class Claims are subject to res judicata pursuant to applicable law including but not limited to *Rangel v. PLS Check Cashers of California Inc.,* 899 F.3d 1106 (9th Cir. 2018) and therefore cannot be asserted in a future action.

gg. "Released PAGA Claims" means any and all claims arising from any of the factual allegations in the PAGA Letter and the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq*. This shall include, but not be limited to, claims for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses and any associated California Labor Code Sections including, but not limited to, 201, 202, 203, 204, 210, 221, 226, 226.7, 246, 248, 510, 512, 1174, 1174.5, 1182.12, 1185, 1194, 1197, 1197.1, 1198, 1199, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

hh. "Released Parties" means Defendant and its respective past, future, or present agents, employees, representatives, administrators, officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, assigns, owners, attorneys, accountants, receivers, advisors, consultants, partners, partnerships, parents, divisions, subsidiaries, affiliates, heirs, joint venturers, trustees, investors, fiduciaries, franchisees or franchisors, or commonly controlled corporations.

ii. "Request for Exclusion" means a letter submitted by a Class Member indicating a request to be excluded from the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the Class Member's full name, signature, address, telephone number, and last four (4) digits of the Class Member's Social Security number; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

jj. "Response Deadline" means the deadline by which Class Members must submit a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to Class Members, unless the 60th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the United States Postal service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendants' Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days from the original Response Deadline.

kk. "Settlement Administrator" means ILYM Group, Inc., or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administrating the Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

ll. "Settlement Administration Costs" means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administrating the Settlement, as set forth in further detail below and within this Agreement.

mm. "Settlement Class" or "Settlement Class Member(s)" means all Class Members who do not submit a timely and valid Request for Exclusion.

nn. "Workweeks" means the number of weeks each Class Member worked for

Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period.

CLASS CERTIFICATION

10. For the purposes of this Settlement only, the Parties stipulate to the certification of the Class. Should this Agreement not be approved by the Court and litigation continue as allowed for by this Agreement, then Plaintiff will still need to move for class certification.

11. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be inappropriate in a non-settlement context.

TERMS OF THE AGREEMENT

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

12. Gross Settlement Amount. Except as otherwise provided by the escalator clause detailed below in this Agreement (should Defendant elect to exercise the option provided therein) and Employer Taxes, Defendant promises to pay two hundred ninety-five thousand dollars ($295,000) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated herein. The Settlement Administrator will disburse the entire Gross Settlement Amount without asking or requiring Settlement Class Members or PAGA Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant. However, if the Settlement is not finally approved by the Court despite the Parties' best efforts to achieve final approval, any amounts deposited shall revert back to Defendant.

13. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order and Judgment.

a. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for attorneys' fees in the amount up to one-third (1/3) of the

Gross Settlement Amount (i.e., $98,333) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Action, in an amount not to exceed twenty thousand dollars ($20,000), both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation of the Action, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members. Defendant and Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from attorneys' fees or costs other than the payments detailed in this Paragraph and as approved by the Court, which shall be paid from the Gross Settlement Amount.

b. Enhancement Payment. Defendant agrees not to oppose or impede any application or motion by Plaintiff for an Enhancement Payment in the amount up to seven thousand five hundred dollars ($7,500). The Enhancement Payment, which will be paid from the Gross Settlement Amount, subject to Court approval, will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

c. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of thirteen thousand dollars ($13,000) shall be allocated from the Gross Settlement Amount toward penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.*

(i.e., the PAGA Amount), of which sixty-five percent (65%), or $8,450 will be paid to the LWDA (i.e., the LWDA Payment) and thirty-five percent (35%), or $4,550, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the Individual PAGA Payments).

d. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed six thousand dollars ($6,000). These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties or that are not approved by the court shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

14. Escalator Clause. Defendant represented that the Class Members had worked an approximate total of 12,306 Workweeks from the start of the Class Period up to the date of mediation (January 30, 2025). If the number of Workweeks worked by the Class Members during the Class Period is more than 10% above 12,306 workweeks (or greater than 13,537), then Defendant shall have the exclusive right to choose either to pay a proportional amount in addition to the Gross Settlement Amount for each Workweek that exceeds this 10% buffer or to select an earlier date than the date of Preliminary Approval as the end of the Class Period to avoid triggering the pro rata increase either in full or in part. However, Defendant's discretion is limited to an end date of the Class Period that is at

or after the mediation date of January 30, 2025.

15. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks, as follows:

a. After Preliminary Approval, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield each Class Member's estimated Individual Settlement Share that the Class Member may be entitled to receive under the Class Settlement.

b. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to each Settlement Class Member's final Individual Settlement Share.

16. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 35% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period Value to yield each PAGA Employee's Individual PAGA Payment.

17. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: five percent (5%) wages ("Wage Portion"), five percent (5%) reimbursement, and ninety percent (90%) in consideration for the release and to settlement claims for penalties, interest, and non-wage damages. The Wage Portion will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes

and withholdings). The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. PAGA Employees may not opt out of receiving the Individual PAGA Payment.

18. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities.

19. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement Class Members, and PAGA Employees are not relying on any statement, representation, or calculation by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement Class Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class Members, and PAGA Employees should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

20. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS OR WAS INTENDED TO BE, NOR WILL 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 SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT 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 ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'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 SETTLEMENT AGREEMENT.

21. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

22. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement. Plaintiff will obtain a hearing date from the Court for Plaintiff's motion for preliminary approval of the Settlement, which Class Counsel will be responsible for drafting, and submit this Settlement

Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion before filing it with the Court. Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. If the Parties disagree on any aspect of the proposed motion for preliminary approval and/or the supporting declarations and documents, Class Counsel and Defendant's Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement.

23. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defendant's Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. However, no Party shall be obligated to consent to any material change (including but not limited to changes to the Gross Settlement Amount or material changes to the releases set forth herein) in the Agreement, whether or not such material change is caused or requested by the Court. The Court's decision to award less than the amounts requested for the Attorneys' Fees and Costs, Enhancement Payments, or Settlement Administration Costs shall not constitute a material modification to the Agreement within the meaning of this Paragraph. By way of said motion, Plaintiff will apply for the entry of the Preliminary Approval Order seeking the following:

a. Conditionally certifying the Class for settlement purposes only;

b. Granting Preliminary Approval of the Settlement;

c. Preliminarily appointing Plaintiff as the representative of the Class;

d. Preliminarily appointing Class Counsel as counsel for the Class;

e. Approving as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing by First Class U.S. Mail;

f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice; and

g. Scheduling a Final Approval Hearing at which the Court will determine whether Final Approval of the Settlement should be granted.

24. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(s)(1)-(3), Class Counsel shall notify the LWDA of: (1) the Operative Complaint; (2) the Settlement at the same time that the Settlement Agreement is submitted to the Court; and (3) the Court's Final Approval Order and Judgment (within 10 days after entry of the Final Approval Order and Judgment or order by submitting the same).

25. Delivery of Class List. Within fifteen (15) business days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

26. Notice by First-Class U.S. Mail.

a. Within seven (7) calendar days after receiving the Class List from Defendant, the Settlement Administrator will perform a search based on the National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Class Notice in English and Spanish (in the form attached as Exhibit A to this Settlement Agreement) to all Class Members via First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

b. Any Class Notice returned to the Settlement Administrator as undeliverable on or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search, using the name, address, and/or Social Security number of the Class Member, and perform a single re-mailing within five (5) calendar days.

c. Compliance with the procedures described herein above shall constitute due and sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process. Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to provide notice of the Settlement.

27. Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an opportunity to dispute the number of Workweeks and/or Pay Periods which have been credited to

them, as reflected in their respective Class Notices, by submitting a timely and valid Dispute to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class Member, Defendant's records will be presumed to be correct and determinative of the dispute. However, if a Class Member produces information and/or documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

28. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be bound to

the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

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

29. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Notice of Objection has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of Notices of Objection that are submitted (specifying which ones were timely and complete and which were not), and also attach them to a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or through counsel, may also present their objection orally at the Final Approval Hearing, regardless of whether they have submitted a Notice of Objection.

30. Reports by the Settlement Administrator. The Settlement Administrator shall provide weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed Class Notices; (ii) the number of Class Members who have submitted Disputes; (iii) the number of Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class Members who have submitted Notices of Objection. Any information provided to Class Counsel shall

not contain any personal identifying information (e.g., names and contact information) of the Class Members. Additionally, the Settlement Administrator will provide to counsel for the Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a Dispute.

31. Defendant's Right to Rescind. If more than five percent (5%) of the Class Members submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement Agreement. Defendant must exercise this right of rescission in writing that is provided to Class Counsel within seven (7) calendar days of the Settlement Administrator notifying the Parties of the number of Class Members who have submitted timely and valid Requests for Exclusion following the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement administration owed to the Settlement Administrator incurred up to that date.

32. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

33. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for: (a) Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion before filing it with the Court. If the Parties disagree on any aspect of the proposed motion for final approval and/or the supporting declarations and documents, Class Counsel and Defendant's Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. By way of said motion, Plaintiff will apply for the entry of the Final Approval Order and Judgment, which will provide for, in substantial part, the following:

a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;

b. Certification of the Settlement Class;

c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;

d. Approval of the application for Enhancement Payment to Plaintiff;

e. Directing Defendant to fund all amounts due under the Settlement Agreement and ordered by the Court; and

f. Entering judgment in the Action, while maintaining continuing jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

34. Funding of the Gross Settlement Amount. No later than twenty-one (21) business days after the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established by the Settlement Administrator. If the QSF is not established at the Effective Date, then Defendant shall have twenty-one (21) business days from the Settlement Administrator's establishing of the QSF to fund the Gross Settlement Amount. Defendant shall provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator, no later than ten (10) business days after the Effective Date or the date of the Settlement Administrator's request, whichever is later.

35. Distribution of the Gross Settlement Amount. Within ten (10) business days of the funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees, LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and timely forward these to the appropriate government authorities.

36. Settlement Checks. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the

PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one check if the intended recipient for both payments is one individual. Settlement Class Members and PAGA Employees are not required to submit a claim to be issued an Individual Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds associated with such canceled checks shall be distributed by the Settlement Administrator to the State of California's Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendant will not be required to pay any interest on such amounts. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting required under applicable local, state, and federal tax laws that are necessitated due to the cancelation of any Individual Settlement Payment and/or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement Payment checks are canceled shall, nevertheless, be bound by the Class Settlement, and PAGA Employees whose Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the PAGA Settlement.

37. <u>Class Settlement Release</u>. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

38. <u>PAGA Settlement Release</u>. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

39. <u>Plaintiff's General Release</u>. Upon the Effective Date and full funding of the Gross

Settlement Amount, Plaintiff individually on his own behalf and respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, assigns, assignors, grantees, devisees, trustees, or any other entities in which they may have an interest ("Plaintiffs' Releasors"), expressly agrees to release and discharge Defendant and Released Parties from all liabilities, causes of actions, charges, complaints, suits, claims, obligations, costs, losses, damages, liquidated damages, punitive damages, equitable relief, restitution, declaratory relief, interest, rights, judgments, attorneys' fees and costs, expenses, bonds, bills, penalties, fines, and all other legal responsibilities of any form whatsoever whether known or unknown, whether suspected or unsuspected, whether fixed or contingent, including but not limited to those arising from any acts or omissions occurring prior to the Effective Date of this Settlement Agreement by Defendant and Released Parties, including those arising under any theory of law, whether common, contractual, constitutional, statutory or other of any jurisdiction, foreign or domestic, whether known or unknown, whether in law or in equity, which Plaintiff had or may claim to have had against any of them by reason of any and all matters from the beginning of time to the Effective Date of this Settlement Agreement including, but not limited to, those arising out of their past employment with, compensation during, and/or separation from his employment with Defendant ("Plaintiffs' Release"). The Plaintiff's Release includes claims under all applicable federal, state, and local laws including, but not limited to, Title VII of the Civil Rights Act of 1964 as amended, the Fair Labor Standards Act, the Rehabilitation Act of 1973, the Family Medical Leave Act, the Employee Retirement Income Security Act, the Consolidated Omnibus Reconciliation Act of 1986, the Equal Pay Act, the Americans with Disabilities Act, the California Fair Employment and Housing Act, the California Family Rights Act, the California Labor Code including, but not limited to, sections 200, et seq., 970, 1102.5, 6310, and 132a, applicable California Wage Order provisions, the California Government Code including, but not limited to, sections 12940 et seq. and 12945, Title 2 of the California Code of Regulations § 11039, the California Civil Code, the California Business and Professions Code including, but not limited to, sections 17200 et seq., the California Constitution, the Unites States Constitution, or any laws pertaining to wrongful termination in violation of public policy, defamation, breach of contract, contractual obligations generally, discrimination based upon race, sex, disability, or any other protected status, retaliation, harassment, failure to prevent discrimination, harassment, or retaliation, failure to provide a reasonable accommodation or engage in the interactive process, and wage and hour claims (including compensation for work, overtime, PTO, vacation, or any other form of compensation or reimbursement). In sum, the Plaintiffs' Release shall apply to all possible claims Plaintiff, or Plaintiff's Releasors, could bring against Defendant and Released Parties, whether arising in statute, regulation, common law, tort, contract, or any other body of law arising before the Effective Date of this Settlement Agreement, whether known or unknown, and including, but not limited to, those pertaining to the employment relationship between Plaintiffs and Defendant.

40. The Plaintiffs' Release is not intended to operate as, nor shall be construed as, a release or waiver of any rights and/or claims that cannot be released or waived, including worker's compensation benefits or vested employee benefits, as a matter of law. Plaintiff acknowledges that he may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that the Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

41. Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of the Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

42. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the Class will be required.

43. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the

Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

44. Effects of Termination or Rescission of Settlement. Termination or rescission of the Settlement Agreement shall have the following effects:

a. The Settlement Agreement shall be void and shall have no force or effect, and no Party shall be bound by any of its terms;

b. In the event the Settlement Agreement is terminated, Defendant shall have no obligation to make any payments to any Party, Class Member, or attorney, except that the terminating Party shall pay the Settlement Administrator for services rendered up to the date the Settlement Administrator is notified that the Settlement has been terminated;

c. The Preliminary Approval Order and Final Approval Order and Judgment, including any order certifying the Class, shall be vacated;

d. The Settlement Agreement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

e. Neither this Settlement Agreement, nor any ancillary documents, actions, statements, or filings in furtherance of the Settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Action or any other action for any purpose whatsoever; and

f. Any documents generated to bring the Settlement into effect, will be null and void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

45. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause

of action or right herein released and discharged.

46. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

47. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

48. Interim Stay of Proceedings. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed in both Actions, except to effectuate the terms of this Agreement.

49. Amendment or Modification. Prior to the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by all Parties. After the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by all the Parties and subject to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

50. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement

Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under state or federal law.

51. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Settlement Class Member or PAGA Employee execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member and PAGA Employee.

52. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

53. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

54. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, this Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned copies of the signature page, will be deemed to be one and the same instrument.

55. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

56. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent

possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

57. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate to implement the Settlement.

58. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.

59. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Settlement Agreement.

60. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

61. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

62. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

63. Notices. All notices, demands, and other communications to be provided concerning the Settlement Agreement shall be in writing and deemed to have been duly given as of the third business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff and Class Counsel:
Barbara DuVan-Clarke
BDC@blackstonepc.com
P.J. Van Ert
pjvanert@blackstonepc.com
Annabel Blanchard
ablanchard@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendants:
Ian B. Wieland
Ian@sw2law.com
Justin G. Donner
Justin@sw2law.com
SAGASER, WATKINS, & WIELAND, PC
5260 North Palm Avenue, Suite 400
Fresno, California 93704
Tel: (559) 421-7000 / Fax: (559) 473-1483

64. Use and Return of Class Data. Information and documents provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class List provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or California Rules of Court rule. Not later than ninety (90) calendar days after the Effective Date, Class

Counsel shall destroy all paper and electronic versions of the Class List or employee records (not including Plaintiff's) received from Defendant unless, prior to the Effective Date, Defendant makes a written request to Class Counsel for the return, rather than the destruction.

65. Publication. Plaintiffs and their counsel agree not to disseminate this settlement, operative complaint(s), and the PAGA letters to the media, or publish these documents or details relating to the same on any websites, blogs, social media, and/or online platforms. Class Counsel may not publicize this Settlement Agreement or use it for advertising purposes. Exceptions to the obligation of confidentiality in this section are: (i) disclosures necessary to comply with the law, judicial process, or for financial planning or tax preparation purposes; (ii) to obtain, seek, and maintain approval of this settlement in court and as is necessary to provide settlement information to Class Members, and (iii) if any party seeks to enforce any term or condition of this Agreement against any other party. Nothing herein shall prevent Class Counsel from disclosing this Settlement for purposes of describing their qualifications as counsel in other cases or as required by a court, nor shall any terms herein preclude Class Counsel from communicating with and fulfilling its obligations to Class Members or PAGA Employees. To the extent permitted by law, all agreements made and orders entered during Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

66. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendants:

IT IS SO AGREED.

[SIGNATURES ON FOLLOWING PAGE]

PLAINTIFF PASCUAL LUJAN

Dated: 11/12/2025

Pascual Lujan

Plaintiff Pascual Lujan

DEFENDANT GUSMER ENTERPRISES, INC.

Dated: __________________

____

Full Name: __________________

Title: _______________________
On behalf of Defendant Gusmer Enterprises, Inc.

APPROVED AS TO FORM ONLY AND PARAGRAPH 65 REGARDING PUBLICATION:

BLACKSTONE LAW, APC

Dated: 11/12/2025

Barbara DuVan-Clarke
Attorneys for Plaintiff Pascual Lujan

APPROVED AS TO FORM ONLY:

SAGASER, WATKINS & WIELAND, PC

Dated: 11/14/2025

Ian B. Wieland
Justin G. Donner
Attorneys for Defendant Gusmer Enterprises, Inc.

PLAINTIFF PASCUAL LUJAN

Dated: ____________________

____
Plaintiff Pascual Lujan

DEFENDANT GUSMER ENTERPRISES, INC.

Dated: Nov 13, 2025

Laura Barnett
Laura Barnett (Nov 13, 2025 15:00:27 PST)
____

Full Name: Laura Barnett

Title: HR Director

On behalf of Defendant Gusmer Enterprises, Inc.

APPROVED AS TO FORM ONLY AND PARAGRAPH 65 REGARDING PUBLICATION:

BLACKSTONE LAW, APC

Dated: ____________________

____
Barbara DuVan-Clarke
Attorneys for Plaintiff Pascual Lujan

APPROVED AS TO FORM ONLY:

SAGASER, WATKINS & WIELAND, PC

Dated: ____________________

____
Ian B. Wieland
Justin G. Donner
Attorneys for Defendant Gusmer Enterprises, Inc.

EXHIBIT 4

Outlook

Thank you for your Proposed Settlement Submission

Desde no-reply@formassembly.com <no-reply@formassembly.com>
Fecha Lun 9 Feb 2026 13:41
Para Karina Hernandez <khernandez@blackstonepc.com>

[External Email].

02/09/2026 01:41:10 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 02/09/2026 01:41:10 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1087708-25

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm