

1                   **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

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

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

11                   **RECITALS**

12                   1.       On January 11, 2024, Plaintiff filed a Class Action Complaint for Damages in the action  
13 entitled *Pascual Lujan v. Gusmer Enterprises, Inc.*, Fresno County Superior Court Case No.  
14 24CECG00166 (“Action”), thereby commencing a putative class action against Defendant.

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

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

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

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

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

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

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

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

#### 27 **DEFINITIONS**

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

1 contained elsewhere in this Settlement Agreement will also be effective.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13           s.     “Individual Settlement Payment” means the net payment of each Settlement  
14 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and  
15 withholdings with respect to the wages portion of the Individual Settlement Share, as further detailed  
16 below and within this Agreement.

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

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

23           v.     “Net Settlement Amount” means the portion of the Gross Settlement Amount  
24 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount  
25 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and  
26 Settlement Administration Costs.

27           w.     “Notice of Objection” means a Settlement Class Member’s written objection to  
28 the Class Settlement, which must : (a) contain the case name and number of the Action; (b) contain

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

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

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

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

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

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

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

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

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

1 ff. "Released Class Claims" means any and all claims which were alleged or which  
2 could have been reasonably alleged based on the factual allegations in the Operative Complaint,  
3 arising during the Class Period. This shall include, but not be limited to, claims for Defendant's  
4 alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and  
5 associated premium payments, timely pay wages during employment and upon termination, provide  
6 accurate wage statements, and reimburse necessary business-related expenses and any associated  
7 California Labor Code Sections including, but not limited to, 201, 202, 203, 204, 210, 221, 226, 226.7,  
8 246, 248, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1197, 1197.1, 1198, 1199, 2800,  
9 and 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and  
10 Professions Code sections 17200, *et seq.* The Parties acknowledge that there are federal Fair Labor  
11 Standards Act provisions that are direct federal law counterparts that meet this definition. By virtue  
12 of this release, any claims under the FLSA that are predicated on the Released Class Claims are subject  
13 to res judicata pursuant to applicable law including but not limited to *Rangel v. PLS Check Cashers of*  
14 *California Inc.*, 899 F.3d 1106 (9th Cir. 2018) and therefore cannot be asserted in a future action.

15 gg. "Released PAGA Claims" means any and all claims arising from any of the  
16 factual allegations in the PAGA Letter and the Operative Complaint, arising during the PAGA Period,  
17 for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections  
18 2698 *et seq.* This shall include, but not be limited to, claims for Defendant's alleged failure to pay  
19 overtime and minimum wages, provide compliant meal and rest periods and associated premium  
20 payments, timely pay wages during employment and upon termination, provide compliant wage  
21 statements, maintain complete and accurate payroll records, and reimburse necessary business-related  
22 expenses and any associated California Labor Code Sections including, but not limited to, 201, 202,  
23 203, 204, 210, 221, 226, 226.7, 246, 248, 510, 512, 1174, 1174.5, 1182.12, 1185, 1194, 1197, 1197.1,  
24 1198, 1199, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

25 hh. "Released Parties" means Defendant and its respective past, future, or present  
26 agents, employees, representatives, administrators, officers, directors, members, insurers,  
27 shareholders, subsidiaries, affiliates, predecessors, successors, assigns, owners, attorneys,  
28 accountants, receivers, advisors, consultants, partners, partnerships, parents, divisions, subsidiaries,

1 affiliates, heirs, joint venturers, trustees, investors, fiduciaries, franchisees or franchisors, or  
2 commonly controlled corporations.

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

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

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

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

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

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

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

2 **CLASS CERTIFICATION**

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

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

12 **TERMS OF THE AGREEMENT**

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

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

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

27 a. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any  
28 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

1 or after the mediation date of January 30, 2025.

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

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

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

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

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

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

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

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

21 20. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT  
22 (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY  
23 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN  
24 "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS  
25 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE  
26 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS  
27 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE  
28 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE

1 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART  
2 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY  
3 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE  
4 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)  
5 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE  
6 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY  
7 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR  
8 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY  
9 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO  
10 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION  
11 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S  
12 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY  
13 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX  
14 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY  
15 TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

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

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

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

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

- 19 a. Conditionally certifying the Class for settlement purposes only;
- 20 b. Granting Preliminary Approval of the Settlement;
- 21 c. Preliminarily appointing Plaintiff as the representative of the Class;
- 22 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 23 e. Approving as to form and content, the mutually-agreed upon and proposed Class Notice  
24 and directing its mailing by First Class U.S. Mail;
- 25 f. Approving the manner and method for Class Members to request exclusion from or  
26 object to the Class Settlement as contained herein and within the Class Notice; and
- 27 g. Scheduling a Final Approval Hearing at which the Court will determine whether Final  
28 Approval of the Settlement should be granted.

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

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

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

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

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

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

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

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

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

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

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

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

24 30. Reports by the Settlement Administrator. The Settlement Administrator shall provide  
25 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed  
26 Class Notices; (ii) the number of Class Members who have submitted Disputes; (iii) the number of  
27 Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class  
28 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:

- 1           a.     Approval of the Settlement as fair, reasonable, and adequate, and directing  
2 consummation of its terms and provisions;
- 3           b.     Certification of the Settlement Class;
- 4           c.     Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 5           d.     Approval of the application for Enhancement Payment to Plaintiff;
- 6           e.     Directing Defendant to fund all amounts due under the Settlement Agreement and  
7 ordered by the Court; and
- 8           f.     Entering judgment in the Action, while maintaining continuing jurisdiction, in  
9 conformity with California Rules of Court 3.769 and the Settlement Agreement.

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

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

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

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

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

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

28 39. Plaintiff's General Release. Upon the Effective Date and full funding of the Gross

1 Settlement Amount, Plaintiff individually on his own behalf and respective former and present  
2 spouses, representatives, agents, attorneys, heirs, administrators, successors, assigns, assignors,  
3 grantees, devisees, trustees, or any other entities in which they may have an interest ("Plaintiffs'  
4 Releasors"), expressly agrees to release and discharge Defendant and Released Parties from all  
5 liabilities, causes of actions, charges, complaints, suits, claims, obligations, costs, losses, damages,  
6 liquidated damages, punitive damages, equitable relief, restitution, declaratory relief, interest, rights,  
7 judgments, attorneys' fees and costs, expenses, bonds, bills, penalties, fines, and all other legal  
8 responsibilities of any form whatsoever whether known or unknown, whether suspected or  
9 unsuspected, whether fixed or contingent, including but not limited to those arising from any acts or  
10 omissions occurring prior to the Effective Date of this Settlement Agreement by Defendant and  
11 Released Parties, including those arising under any theory of law, whether common, contractual,  
12 constitutional, statutory or other of any jurisdiction, foreign or domestic, whether known or unknown,  
13 whether in law or in equity, which Plaintiff had or may claim to have had against any of them by  
14 reason of any and all matters from the beginning of time to the Effective Date of this Settlement  
15 Agreement including, but not limited to, those arising out of their past employment with, compensation  
16 during, and/or separation from his employment with Defendant ("Plaintiffs' Release"). The Plaintiff's  
17 Release includes claims under all applicable federal, state, and local laws including, but not limited  
18 to, Title VII of the Civil Rights Act of 1964 as amended, the Fair Labor Standards Act, the  
19 Rehabilitation Act of 1973, the Family Medical Leave Act, the Employee Retirement Income Security  
20 Act, the Consolidated Omnibus Reconciliation Act of 1986, the Equal Pay Act, the Americans with  
21 Disabilities Act, the California Fair Employment and Housing Act, the California Family Rights Act,  
22 the California Labor Code including, but not limited to, sections 200, et seq., 970, 1102.5, 6310, and  
23 132a, applicable California Wage Order provisions, the California Government Code including, but  
24 not limited to, sections 12940 et seq. and 12945, Title 2 of the California Code of Regulations § 11039,  
25 the California Civil Code, the California Business and Professions Code including, but not limited to,  
26 sections 17200 et seq., the California Constitution, the United States Constitution, or any laws  
27 pertaining to wrongful termination in violation of public policy, defamation, breach of contract,  
28 contractual obligations generally, discrimination based upon race, sex, disability, or any other

1 protected status, retaliation, harassment, failure to prevent discrimination, harassment, or retaliation,  
2 failure to provide a reasonable accommodation or engage in the interactive process, and wage and  
3 hour claims (including compensation for work, overtime, PTO, vacation, or any other form of  
4 compensation or reimbursement). In sum, the Plaintiffs' Release shall apply to all possible claims  
5 Plaintiff, or Plaintiff's Releasers, could bring against Defendant and Released Parties, whether arising  
6 in statute, regulation, common law, tort, contract, or any other body of law arising before the Effective  
7 Date of this Settlement Agreement, whether known or unknown, and including, but not limited to,  
8 those pertaining to the employment relationship between Plaintiffs and Defendant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 of action or right herein released and discharged.

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

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

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

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

25 50. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and  
26 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement  
27 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant  
28 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

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

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

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

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

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

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

28 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

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

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

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

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

23 60. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and  
24 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be  
25 construed more strictly against one Party than another merely by virtue of the fact that it may have  
26 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length  
27 negotiations between the Parties, all Parties have contributed equally to the preparation of this  
28 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

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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

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

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

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

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

26 **IT IS SO AGREED.**

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28 **[SIGNATURES ON FOLLOWING PAGE]**

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PLAINTIFF PASCUAL LUJAN

*Pascual Lujan*

Dated: 11/12/2025

Plaintiff Pascual Lujan

DEFENDANT GUSMER ENTERPRISES,  
INC.

Dated: \_\_\_\_\_

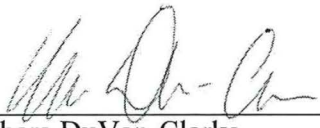
Full Name: \_\_\_\_\_

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.

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**PLAINTIFF PASCUAL LUJAN**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Plaintiff Pascual Lujan

**DEFENDANT GUSMER ENTERPRISES,  
INC.**

Dated: Nov 13, 2025  
\_\_\_\_\_

Laura Barnett  
Laura Barnett (Nov 13, 2025 15:06:27 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.*