

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 Ted T. Phillips (“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 Professional Plastics, 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 March 20, 2025, Plaintiff provided written notice to the Labor and Workforce Development Agency (“LWDA”) by online submission and to Defendant 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 Defendant (“PAGA Letter”).

2. On March 21, 2025, Plaintiff filed a Class Action Complaint in the action entitled *Phillips v. Professional Plastics, Inc, et al.*, Alameda County Superior Court Case No. 25CV116316 (“Action”), thereby commencing a putative class action against Defendant.

3. On May 27, 2025, Plaintiff filed a First Amended Class and Representative Action Complaint (“Operative Complaint”) in the Action, which added a cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* (“PAGA”) to 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 premium 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

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

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

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

12 7. On March 26, 2026, the Parties participated in mediation with Brandon McKelvey (the
13 “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the
14 Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The Parties’
15 settlement discussions were conducted at arms’ length, and the Settlement is the result of an informed
16 and detailed analysis of Defendant’s potential liability and exposure in relation to the costs and risks
17 associated with continued litigation. Based on Class Counsel’s investigation and evaluation, Class
18 Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in
19 this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class
20 Members, State of California, and PAGA Employees in light of all known facts and circumstances,
21 including the risk of significant delay and uncertainty associated with litigation and various defenses
22 asserted by Defendant.

23 8. The Parties expressly acknowledge that this Settlement Agreement is entered into
24 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
25 admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is
26 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective
27 positions.
28

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 Action and all actual costs and expenses incurred and to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 13.

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.

c. “Class Counsel” means Jonathan M. Genish, Karen Gold, Noam Reiffman, Marissa Mayhood, Sara Pezeshkpour, 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) dates worked for Defendant during the Class Period; and (5) such other information as is necessary for the Settlement Administrator to calculate Workweeks and Pay Periods.

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 March 21, 2021 through May 25, 2026.

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 Alameda.

i. “Defendant’s Counsel” means Dina Glucksman and Emilie MacLean of Gordon Rees Scully Mansukhani, LLP.

j. “Dispute” means a letter submitted by a Class Member disputing the number of

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

8 k. "Effective Date" means the following: (i) if no Settlement Class Member
9 objects to the Class Settlement, then the Effective Date will be the date of Final Approval; or (ii) if
10 any Settlement Class Member objects to the Class Settlement, the Effective Date will be the sixty-first
11 (61st) calendar day after the date of Final Approval, provided no appeal is initiated by an objector; or
12 (iii) if a timely appeal is initiated by an objector, then the Effective Date will be the day after final
13 resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting
14 in final judicial approval of the Settlement.

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

18 m. "Enhancement Payment" means the amount to be paid to Plaintiff, in
19 recognition of his effort and work in prosecuting the Action on behalf of Class Members and PAGA
20 Employees, and general release of claims, as set forth in Paragraph 14.

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

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

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

28 q. "Gross Settlement Amount" means the amount of Six Hundred Fifteen

Thousand Dollars (\$615,000) to be paid by Defendant in full satisfaction of the Action, Released Class Claims, and Released PAGA Claims, which includes all 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. The Gross Settlement Amount is subject to increase, as provided in Paragraph 17.

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 in accordance with Paragraph 19.

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 provided in Paragraph 20.

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 in accordance with Paragraph 18.

u. "LWDA Payment" means the amount of Nineteen Thousand Five Hundred Dollars (\$19,500), i.e., 65% of the PAGA Amount, that the Parties have agreed to pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 15.

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

1 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents
2 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the
3 specified address, postmarked on or before the Response Deadline.

4 x. "PAGA Amount" means the allocation of Thirty Thousand Dollars (\$30,000)
5 from the Gross Settlement Amount for the PAGA Settlement. Sixty-five percent (65%) of the PAGA
6 Amount, or \$19,500, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining thirty-
7 five percent (35%), or \$10,500, will be distributed to the PAGA Employees (i.e., the PAGA Employee
8 Amount).

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

12 z. "PAGA Employee Amount" means the amount of Ten Thousand Five Hundred
13 Dollars (\$10,500), i.e., 35% of the PAGA Amount, to be distributed to PAGA Employees on a *pro*
14 *rata* basis based on their Pay Periods.

15 aa. "PAGA Period" means the period from March 20, 2024 through May 25, 2026.

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

18 cc. "Pay Periods" means the number of pay periods each PAGA Employee worked
19 for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period.
20 Pay Periods will be calculated by the Settlement Administrator.

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

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

26 ff. "Released Class Claims" means any and all claims which were alleged or which
27 could have been reasonably alleged based on the factual allegations in the Operative Complaint,
28 arising during the Class Period, which shall specifically include claims for Defendant's alleged failure

1 to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium
2 payments, timely pay wages during employment and upon termination, provide accurate wage
3 statements, and reimburse necessary business-related expenses in violation of California Labor Code
4 Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and
5 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and
6 Professions Code sections 17200, *et seq.*

7 gg. “Released PAGA Claims” means any and all claims arising from any of the
8 factual allegations in the PAGA Letter, arising during the PAGA Period, for civil penalties under the
9 Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, which shall
10 specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages,
11 provide compliant meal and rest periods and associated premium payments, timely pay wages during
12 employment and upon termination, provide compliant wage statements, maintain complete and
13 accurate payroll records, and reimburse necessary business-related expenses in violation of California
14 Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1,
15 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

16 hh. “Released Parties” means Defendant and its current and former officers,
17 directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and
18 assigns.

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

25 jj. “Response Deadline” means the deadline by which Class Members must submit
26 a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five
27 (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to
28 Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response

1 Deadline will be extended to the next day on which the United States Postal service is open. The
2 Response Deadline may also be extended by express agreement between Class Counsel and
3 Defendant's Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response
4 Deadline for that Class Member shall be extended fifteen (15) calendar days from the original
5 Response Deadline.

6 kk. "Settlement Administrator" means Apex Class Action Administration, or any
7 other third-party class action settlement administrator agreed to by the Parties and approved by the
8 Court for purposes of administering the Settlement. The Parties and their counsel each represent that
9 they do not have any financial interest in the Settlement Administrator or otherwise have a relationship
10 with the Settlement Administrator that could create a conflict of interest.

11 ll. "Settlement Administration Costs" means the costs payable from the Gross
12 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
13 Paragraph 16.

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

16 nn. "Workweeks" means the number of weeks each Class Member worked for
17 Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period.
18 Workweeks will be calculated by the Settlement Administrator.

19 **CLASS CERTIFICATION**

20 10. For the purposes of this Settlement only, the Parties stipulate to the certification of the
21 Class.

22 11. The Parties agree that certification for the purpose of settlement is not an admission
23 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
24 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
25 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
26 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
27 non-settlement context.
28

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. **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 thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$215,250 if the Gross Settlement Amount is \$615,000) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Action, in an amount not to exceed Thirty Thousand Dollars (\$30,000), 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. The Parties agree that the Court's approval of any request for attorneys' fees or litigation costs is not a condition of the Settlement Agreement, and an award of less than the amounts requested would not give rise to a basis to abrogate the Settlement Agreement. Class Counsel holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

13. **Enhancement Payment.** Defendant agrees not to oppose or impede any application or motion by Plaintiff for an Enhancement Payment in the amount up to Ten Thousand Dollars (\$10,000). The Enhancement Payment, which will be paid from the Gross Settlement Amount, subject to Court approval, will be in addition to their Individual Settlement Payment as a Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be solely and legally responsible

1 for correctly characterizing this compensation for tax purposes and for paying any taxes on the
2 amounts received and shall hold Defendant harmless from any claim or liability for taxes, penalties, or
3 interest arising as a result of the payment. Defendant makes no representations as to the tax treatment or
4 legal effect of the payment called for herein, and Plaintiff is not relying on any statement or
5 representation by Defendant or its counsel in this regard. The Settlement Administrator shall issue an
6 IRS Form 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement
7 Payment that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount
8 for the benefit of the Settlement Class Members. The Class Representative Service Award will not
9 be a material term of the Settlement Agreement, and if the Court approves an award of less than
10 the requested amount, such a change will not give rise to a basis to abrogate the Settlement
11 Agreement.

12 14. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
13 Thirty Thousand Dollars (\$30,000) shall be allocated from the Gross Settlement Amount toward
14 penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* (i.e.,
15 the PAGA Amount), of which sixty-five percent (65%), or \$19,500, will be paid to the LWDA (i.e.,
16 the LWDA Payment) and thirty-five percent (35%), or \$10,500, will be distributed to PAGA
17 Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the total number of Pay
18 Periods worked by each PAGA Employee during the PAGA Period (i.e., the Individual PAGA
19 Payments).

20 15. Settlement Administration Costs. The Settlement Administrator will be paid for the
21 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
22 which is currently estimated not to exceed Eight Thousand Five Hundred Dollars (\$8,500). These
23 costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include,
24 *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices
25 and other documents for the Settlement, calculating and distributing payments due under the
26 Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings,
27 and remittances, providing necessary reports and declarations, and other duties and responsibilities set
28 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 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

16. Escalator Clause. Defendant has represented that the Class Members worked a total of 26,238 Workweeks from March 21, 2021 through March 26, 2026. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the Class Period actually exceeds 26,238 by more than 10% (i.e., if the Workweeks exceed 28,862), then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11% to 29,124 Workweeks, then the Gross Settlement Amount will increase by 1%.

17. 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 yield each Settlement Class Member's final Individual Settlement Share.

18. 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.

19. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: twenty percent (15%) wages and eighty percent (85%) 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 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.

20. 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.

21. 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

1 assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class
2 Members, and PAGA Employees should consult with their tax advisors concerning the tax
3 consequences of any payment they receive under the Settlement. Settlement Class Members, and
4 PAGA Employees assume full responsibility and liability for employee taxes owed on their Individual
5 Payment.

6 22. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
7 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
8 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
9 “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
10 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
11 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS
12 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
13 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
14 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
15 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
16 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
17 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
18 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
19 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
20 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
21 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
22 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
23 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
24 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S
25 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
26 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX
27 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY
28 TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

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

11 24. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.
12 Plaintiff will obtain a hearing date from the Court for Plaintiff's motion for preliminary approval of
13 the Settlement, which Class Counsel will be responsible for drafting, and submit this Settlement
14 Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a
15 draft of the preliminary approval motion before filing it with the Court. Defendant agrees not to
16 oppose the motion for preliminary approval of the Settlement consistent with this Settlement
17 Agreement. 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
24 Class Notice and directing its mailing by First Class U.S. Mail;
- 25 f. Approving the manner and method for Class Members to request exclusion
26 from or 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
28 Final Approval of the Settlement should be granted.

1 25. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(s)(2),
2 Class Counsel shall notify the LWDA of the Settlement.

3 26. Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,
4 Defendant will provide the Class List to the Settlement Administrator.

5 27. Notice by First-Class U.S. Mail.

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

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

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

24 28. Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an
25 opportunity to dispute the number of Workweeks and/or Pay Periods which have been credited to
26 them, as reflected in their respective Class Notices, by submitting a timely and valid Dispute to the
27 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
28 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.

29. 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.

30. 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.

31. 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. 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.

32. Defendant's Right to Rescind. If more than ten percent (10%) 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.

33. 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.

34. 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. 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. 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.

35. Funding of the Gross Settlement Amount. No later than fourteen (14) business days after the Effective Date, Defendant will deposit the Gross Settlement Amount and Employer Taxes 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. 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 five (5) business days after the Effective Date.

36. Distribution of the Gross Settlement Amount. Within five (5) business days of the funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual

1 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,
2 LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class
3 Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set
4 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and
5 timely forward these to the appropriate government authorities.

6 37. Settlement Checks. The Settlement Administrator will be responsible for undertaking
7 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
8 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
9 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
10 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
11 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
12 Members and PAGA Employees are not required to submit a claim to be issued an Individual
13 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
14 Individual PAGA Payment check will be valid and negotiable for one hundred and twenty (120)
15 calendar days from the date the checks are issued, and thereafter, shall be canceled. For any checks
16 that remain uncashed or cancelled after the void date, or for any envelope that is returned and no
17 forwarding address can be located after reasonable efforts have been made, the Administrator shall
18 transmit the funds represented by such checks to the California Labor and Workforce Development
19 Agency in the name of the Class Member, thereby leaving no "undue residue" subject to California
20 Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to Settlement
21 Class Members, whether or not they cash their settlement checks. Therefore, Defendant will not be
22 required to pay any interest on such amounts. The Settlement Administrator shall undertake amended
23 and/or supplemental tax filings and reporting required under applicable local, state, and federal tax
24 laws that are necessitated due to the cancelation of any Individual Settlement Payment and/or
25 Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement Payment
26 checks are canceled shall, nevertheless, be bound by the Class Settlement, and PAGA Employees
27 whose Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the PAGA
28 Settlement.

38. Class Settlement Release. Upon the Effective Date and full funding of the Gross

1 Settlement Amount and Employer Taxes, Plaintiff and all Settlement Class Members will be deemed
2 to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the
3 Released Parties of all Released Class Claims. Class Members do not release any other claims,
4 including for vested benefits, wrongful termination, violation of the Fair Employment and Housing
5 Act, unemployment insurance, disability, Social Security, workers' compensation, claims of the
6 LWDA under PAGA, Labor Code section 2698, et seq., or claims based on facts occurring outside of
7 the Class Period.

8 39. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross
9 Settlement Amount and Employer Taxes, Plaintiff, and the State of California with respect to all
10 PAGA Employees, will be deemed to have fully, finally, and forever released, settled, compromised,
11 relinquished, and discharged the Released Parties of all Released PAGA Claims. The Released PAGA
12 Claims do not release any Aggrieved Employees' claims for wages or statutory penalties, and the
13 Aggrieved Employees may not opt-out of the Released PAGA Claims.

14 40. Plaintiff's General Release. Upon the Effective Date and full funding of the Gross
15 Settlement Amount and Employer Taxes, Plaintiff, individually and on his own behalf, will be deemed
16 to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the
17 Released Parties from any and all claims, debts, liabilities, demands, obligations, guarantees, costs,
18 expenses, attorneys' fees, damages, or causes of action of any kind or nature whatsoever, known or
19 unknown, suspected or unsuspected, asserted or unasserted, arising out of, relating to, or resulting
20 from his employment and/or separation of employment with Defendant, which Plaintiff, at any time
21 up until the execution of the Settlement Agreement, had or claimed to have or may have. It is agreed
22 that this is a general release and is to be broadly construed as a release of all claims, provided that,
23 notwithstanding the foregoing, this Paragraph expressly does not include a release of any claims that
24 cannot be released hereunder by law. Any and all rights granted under any state or federal law or
25 regulation limiting the effect of the Settlement Agreement, including the provisions of Section 1542
26 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of the California
27 Civil Code reads as follows:
28

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.

41. 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.

42. 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.

43. 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.

44. 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.

45. 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.

46. 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.

47. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Action (including with respect to California Code of Civil Procedure Section 583.310), except such proceedings necessary to implement and complete this Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

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

8 49. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
9 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
10 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
11 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
12 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
13 full authority to enter into this Settlement Agreement, and further intend that this Settlement
14 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
15 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
16 confidentiality provisions that otherwise might apply under state or federal law.

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

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

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

28 53. 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

1 copies of the signature page, will be deemed to be one and the same instrument.

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

11 55. Invalidity of Any Provision. Before declaring any provision of this Settlement
12 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
13 possible consistent with applicable precedents so as to define all provisions of this Settlement
14 Agreement valid and enforceable.

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

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

23 58. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
24 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
25 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
26 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines
27 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
28 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;

1 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
2 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
3 construed as an admission or concession by Defendant of any such violations or failures to comply
4 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement
5 Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received
6 as evidence in any action or proceeding to establish any liability or admission on the part of Defendant
7 or to establish the existence of any condition constituting a violation of, or a non-compliance with,
8 federal, state, local, or other applicable law.

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

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

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

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

24 63. Notices. All notices, demands, and other communications to be provided concerning
25 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
26 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
27 as follows:
28

To Plaintiff and Class Counsel:

Jonathan M. Genish

jgenish@blackstonepc.com

Karen Gold

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Noam Reiffman

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Marissa Mayhood

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BLACKSTONE LAW, APC

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Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant:

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Emilie Maclean (SBN 349539)

emaclean@grsm.com

633 West Fifth Street, 52nd Floor

Los Angeles, California 90071

Tel; (213) 576-5000; Fax: (213) 680-4470

64. 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.

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

IT IS SO AGREED.

APPROVED AS TO FORM AND CONTENT:

PLAINTIFF TED T. PHILLIPS

Dated: _____

Plaintiff, Ted T. Phillips

DEFENDANT PROFESSIONAL PLASTICS, INC.

Dated: July 16, 2026

Signed by:


368ABF3710F949D...

Full Name: Jonathan Gulsvig

Title: General Counsel on behalf of PP
On behalf of Defendant, Professional Plastics, Inc.

APPROVED AS TO FORM ONLY:

Dated: _____

BLACKSTONE LAW, APC

By: Karen Gold
Annabel Blanchard
Attorneys for Plaintiff,
Ted T. Phillips

Dated: July 17, 2026

**GORDON & REES, SCULLY
MANSUKHANI, LLP**


By: _____
Dina Glucksman
Emilie MacLean

Attorneys for Defendant,
PROFESSIONAL PLASTICS, INC.

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

3 **IT IS SO AGREED.**

4
5 **APPROVED AS TO FORM AND CONTENT:**

6 **PLAINTIFF TED T. PHILLIPS**

7 *Ted T Phillips*

8 Dated: 07/22/2026

Plaintiff, Ted T. Phillips

9
10 **DEFENDANT PROFESSIONAL PLASTICS, INC.**

11 Dated: _____

Full Name: _____

12
13 Title: _____
14 On behalf of Defendant, Professional Plastics,
15 Inc.

16 **APPROVED AS TO FORM ONLY:**

17 Dated: 07/23/2026

BLACKSTONE LAW, APC

18 *Annabel Blanchard*

19 By: Karen Gold
20 Annabel Blanchard

21 *Attorneys for Plaintiff,*
22 Ted T. Phillips

23 Dated: _____

**GORDON & REES, SCULLY
MANSUKHANI, LLP**

24
25 By: _____
26 Dina Glucksman
27 Emilie MacLean

28 *Attorneys for Defendant,*
PROFESSIONAL PLASTICS, INC.