

1 RUTAN & TUCKER, LLP
Edson K. McClellan (State Bar No. 199541)
2 emcclellan@rutan.com
Kimberly A. Nayagam (State Bar No. 301058)
3 knayagam@rutan.com
18575 Jamboree Road, 9th Floor
4 Irvine, CA 92612
Telephone: 714-641-5100
5 Facsimile: 714-546-9035

6 Attorneys for Defendant
ADVANCED FLOW ENGINEERING, INC.

7 THE WHEELER LAW FIRM, APC
8 Scott Ernest Wheeler (SBN 187998)
Justin A. Wheeler (SBN 342226)
9 250 West First Street, Suite 216
Claremont, California 91711
10 Tel: (909) 621-4988;
Facsimile: (909) 621-4622
11 Email: sew@scottwheelerlawoffice.com
jaw@scottwheelerlawoffice.com

12 Attorneys for Plaintiff JAMES HENRIQUEZ
13 and on behalf of all others similarly situated

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 FOR THE COUNTY OF RIVERSIDE

16 JAMES HENRIQUEZ, individually, and on
17 behalf of all others similarly situated,

18 Plaintiff,

19 v.
20 ADVANCED FLOW ENGINEERING, INC., a
California corporation; and DOES 1 through 50,
21 inclusive,

22 Defendants.

Case No. CVRI2406176

ASSIGNED FOR ALL PURPOSES TO THE HON.
HAROLD W. HOPP, DEPT. 1

**JOINT STIPULATION AND SETTLEMENT
AGREEMENT TO RESOLVE CLASS
ACTION AND PAGA CLAIMS**

Date Action Filed: November 1, 2024
Trial Date: None set

TO THE HONORABLE COURT, ALL PARTIES, AND THEIR COUNSEL OF RECORD:

This Joint Stipulation and Settlement Agreement to Resolve Class Action and PAGA Claims (the “**Settlement Agreement**”) is entered into between Plaintiff James Henriquez (“**Plaintiff**”) and Defendant Advanced Flow Engineering, Inc. (“**Defendant**,” and with Plaintiff, the “**Parties**”) to resolve the Action, as defined below.

DEFINITIONS

1. Action. “**Action**” means the above-captioned action, *James Henriquez v. Advanced Flow Engineering, Inc.*, Riverside County Superior Court Case No. CVRI2406176.

2. Aggrieved Employees. “**Aggrieved Employees**” means all non-exempt, hourly employees who were employed by Defendant at any time in the state of California during the PAGA Period.

3. Attorneys’ Fees and Costs. “**Attorneys’ Fees and Costs**” means the amount authorized by the Court for: (i) an award of attorneys’ fees to Class Counsel for litigation and resolution of the matter, in the amount that does not exceed one third (33.33%) of the Gross Settlement Amount; and (ii) reimbursement of actual costs incurred by Class Counsel in connection with the Action.

4. Class or Class Members. “**Class**” or “**Class Members**” means all non-exempt, hourly employees who were employed by Defendant at any time in the state of California during the Class Period.

5. Class Counsel. “**Class Counsel**” means The Wheeler Law Firm, APC.

6. Class Notice. “**Class Notice**” means the Notice of Class Action Settlement, attached as **Exhibit A** to this Agreement, or a substantially similar notice approved by the Court.

7. Class Period. “**Class Period**” refers to the period which begins on November 1, 2020 and which ends on September 30, 2025.

8. Court. “**Court**” means the Riverside County Superior Court, where the Action is currently pending.

9. Defendant. “**Defendant**” means Advanced Flow Engineering, Inc.

10. Effective Date. The “**Effective Date**” of this Agreement will be the later of (i) the 61st day after service of notice of entry of the Final Order and Final Judgment, if no appeal, review, or writ has been filed; or (ii) if an appeal, review, or writ is sought from the Final Order or Final Judgment, the day after the Final Order and Final Judgment are affirmed or the appeal, review, or writ is dismissed or denied, and the Final Order and Final Judgment are no longer subject to further judicial review. The Effective Date is conditioned upon the Court’s having entered a Final Order and Judgment as set forth in this Agreement.

11. Enhancement Award. “**Enhancement Award**” means the amount the Court authorizes to be paid to the Named Plaintiff in addition to his Individual Settlement Payment, in recognition of his efforts and work in prosecution of the Action, up to \$7,000.00.

12. Final Hearing Date. “**Final Hearing Date**” means the date set by the Court for the hearing on final approval of the Settlement Agreement.

13. Final Order and Judgment. “**Final Order and Judgment**” means the proposed order granting final approval of the Settlement Agreement and the separate proposed judgment, which Plaintiff will submit to the Court with the motion for final approval of the Settlement Agreement.

14. Gross Settlement Amount. “**Gross Settlement Amount**” means the total settlement payment Defendant has agreed to make under this Settlement Agreement. The Gross Settlement Amount is \$350,000.00.

15. Individual PAGA Payment. “**Individual PAGA Payment**” means a payment to an Aggrieved Employee of the employee’s share of the PAGA Payment as set forth in this Settlement Agreement.

16. Individual Settlement Payment. “**Individual Settlement Payment**” means the individual settlement payment allocated to each Participating Class Member and/or Aggrieved Employee as set forth in this Settlement Agreement, which consists of the Participating Class Member Payment and the Individual PAGA Payment to the extent an employee is eligible for either or both.

17. Named Plaintiff. “**Named Plaintiff**” means James Henriquez.

18. Notice Period. “**Notice Period**” means the time period commencing on the date the Class Notice is mailed to Class Members and ending 45 days thereafter unless a notice is re-mailed to a Class Member, in which case the Notice Period shall end either 45 days after mailing or 15 days after re-mailing, whichever is later.

19. Net Class Settlement Amount. “**Net Class Settlement Amount**” means the settlement amount to be distributed to Participating Class Members, which is the Gross Settlement Amount less Attorneys’ Fees and Costs, the Enhancement Award, the PAGA Amount, and Settlement Administration Costs.

20. PAGA Amount. “**PAGA Amount**” means the amount of \$25,000.00, which represents the portion of the Gross Settlement Amount allocated to the settlement of the PAGA Claims. The PAGA Amount is paid from the Gross Settlement Amount, and will be allocated as set forth in this Agreement. The Parties agree that 65% of the PAGA Amount (\$16,250.00) will be paid to the Labor and Workforce Development Agency (“**LWDA**”) as the “**LWDA Payment**,” and the remaining 35% (\$8,750.00) will be allocated to the Aggrieved Employees as the “**PAGA Payment**.”

21. PAGA Claims. “**PAGA Claims**” means all claims under the California Private Attorneys’ General Act (California Labor Code Section 2698 *et seq.*) that have been asserted against the Released Parties and that arise from the facts, matters, transactions or occurrences alleged in the operative Complaint in the Action and/or the PAGA Letter, including, without limiting the foregoing, claims for failure to: pay all wages earned for all hours worked at the correct rate including minimum, straight, regular, and overtime wages; pay split shift and reporting time premiums; provide legally required meal periods or premium payment in lieu thereof; provide legally required rest breaks or premium payment in lieu thereof; permit employees to take cooldown recovery periods; properly calculate the regular rate of pay; timely pay wages during employment; timely pay wages at separation; provide accurate itemized wage statements; maintain adequate and accurate employment records; reimburse necessary business expenses; provide suitable resting facilities; implement a workplace violence prevention policy; and implement indoor/outdoor heat

1 prevention policies. Without limiting the generality of the foregoing, the PAGA Claims include but
 2 are not limited to claims arising out of or relating to: Labor Code sections 201, 202, 203, 204, 210,
 3 218.5, 218.6, 225.5, 226, 226.3, 226.7, 246, *et seq.*, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1194.2,
 4 1197, 1197.1, 1198, 1199, 2699, 2699.3, 2802, 6401.7, 6401.9, 6428, 6429, 6721, 6728, 6729;
 5 related violations of the applicable IWC Orders; and the applicable California Code of Regulations,
 6 including Title 7 section 3395 and 3396.

7 22. PAGA Period. “**PAGA Period**” refers to the period that begins on March 17, 2024,
 8 and which ends on September 30, 2025.

9 23. Participating Class Member. “**Participating Class Member**” means each Class
 10 Member who has not timely opted out of the Settlement Agreement.

11 24. Parties. “**Parties**” means the Defendant and the Named Plaintiff, individually and
 12 on behalf of all Class Members and Aggrieved Employees. Each of the Parties may be referred to
 13 in the singular as a “**Party**.”

14 25. Preliminary Approval Order. “**Preliminary Approval Order**” means an order from
 15 the Court preliminarily approving this Settlement Agreement.

16 26. Class Released Claims. “**Class Released Claims**” means any and all claims, debts,
 17 liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, action or
 18 causes of action that have been asserted against the Released Parties and that arise from the facts,
 19 matters, transactions or occurrences alleged in the operative Complaint in the Action, including,
 20 without limiting the foregoing, claims for failure to: pay all wages earned for all hours worked at
 21 the correct rate including minimum, straight, regular, and overtime wages; pay split shift and
 22 reporting time premiums; provide legally required meal periods or premium payment in lieu thereof;
 23 provide legally required rest breaks or premium payment in lieu thereof; permit employees to take
 24 cooldown recovery periods; timely pay wages during employment; timely pay wages at separation;
 25 provide accurate itemized wage statements; maintain adequate and accurate employment records;
 26 and reimburse necessary business expenses; and claims for violations of California Business and
 27 Professions Code § 17200 *et seq.* Without limiting the generality of the foregoing, the Class
 28

Released Claims include but are not limited to claims arising out of or relating to: Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 2802 and the applicable IWC Orders; the applicable California Code of Regulations, including Title 7 sections 3395 and 3396; California Code of Civil Procedure section 1021.5; California Civil Code sections 1785.31, 1786.50, 3287, and 3288; and claims for restitution and other equitable relief, liquidated damages, or penalties; any other benefit claimed on account of the allegations asserted in the operative Complaint; and violations of all related or corresponding federal laws.

27. Released Parties. “**Released Parties**” means and includes Defendant and its officers, directors, employees, and agents.

28. Settlement Administrator. “**Settlement Administrator**” means ILYM Group, Inc. or such other third-party administrator chosen by the Parties and approved by the Court.

29. Settlement Administration Costs. “**Settlement Administration Costs**” means the costs of settlement administration, including costs of notice to Class Members, distributing settlement payments, and any other fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Settlement Agreement.

30. Settlement Class. “**Settlement Class**” means a class of all Participating Class Members.

31. Settlement Hearing. “**Settlement Hearing**” means the hearing on the Final Hearing Date at which the Court will determine whether to fully and finally approve the fairness and reasonableness of this Settlement Agreement.

RECITALS

32. On November 1, 2024, Named Plaintiff filed a class action Complaint against Defendant, *Henriquez v. Advanced Flow Engineering, Inc.*, Riverside County Superior Court Case No. CVRI2406176. The Complaint alleges eleven causes of action for alleged (1) failure to provide required meal periods; (2) failure to provide required rest breaks; (3) failure to provide recovery periods; (4) failure to pay overtime wages; (5) failure to pay minimum wages; (6) failure to pay

1 timely wages; (7) failure to pay all wages due to discharged and quitting employees; (8) failure to
2 furnish accurate itemized wage statements; (9) failure to maintain records; (10) failure to indemnify
3 employees for necessary expenditures in discharge of duties; and (11) unfair and unlawful business
4 practices.

5 33. On March 12, 2025, Named Plaintiff submitted a PAGA Notice to the LWDA
6 alleging various Labor Code violations by Defendant (the “**PAGA Letter**”).

7 34. On June 25, 2025, Named Plaintiff filed his first amended complaint to add a PAGA
8 representative claim to the Action.

9 35. On July 22, 2025, the Parties participated in a full-day mediation with Jill Sperber,
10 Esq. (the “**Mediator**”), a respected mediator of complex wage-and-hour actions. The Parties, with
11 the assistance of the Mediator’s evaluations and with the help of the Mediator’s proposal, reached
12 the settlement that is memorialized in this Agreement.

13 36. Defendant denies that it engaged in any misconduct in connection with the wage-
14 and-hour practices associated with the Class Members and/or the Aggrieved Employees. Defendant
15 further denies that it has any liability of any kind associated with the claims alleged in the Action.
16 Defendant contends that it has complied with both federal and state wage-and-hour laws, and all
17 other laws regulating its relationship with the Class Members and the Aggrieved Employees,
18 including the Named Plaintiff.

19 37. Class Counsel has investigated the facts relating to the Action. Settlement
20 discussions were conducted at arm’s length during a full-day mediation with a neutral third-party
21 mediator, and the Settlement is the result of an informed and detailed analysis of Defendant’s
22 potential liability and exposure in relation to the costs and risks associated with continued litigation.
23 Based on the documents and data produced, as well as Class Counsel’s own independent
24 investigation and evaluation, Class Counsel believes that the Settlement documented by this
25 Settlement Agreement is fair, reasonable, and adequate, and in the best interest of the Class in light
26 of all known facts and circumstances, including the risk of significant delay and defenses asserted
27 to the merits of the Action. While Defendant specifically denies any liability in the Action,
28

1 Defendant has agreed to enter into this Settlement to avoid the costs associated with defending the
2 Action.

3 **TERMS AND CONDITIONS**

4 NOW, THEREFORE, in consideration of the recitals listed above and the promises and
5 warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of
6 the consideration and undertakings set forth below, Named Plaintiff, individually and on behalf of
7 the Class Members, Aggrieved Employees, and, to the extent permitted by law, the State of
8 California, and Defendant agree that the Action shall be and is finally and fully compromised and
9 settled on the following terms and conditions:

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

25 39. Conditional Nature Of Settlement. For settlement purposes *only*, the Parties agree
26 that a class may be certified in the Class Action pursuant to California Code of Civil Procedure
27 Section 382.

1 a. The Parties intend their settlement to be contingent upon the preliminary and
2 final approval of each and every term of this Settlement Agreement, without material modification.
3 The Parties and their respective counsel shall use their respective best efforts to obtain Court
4 approval and implement this Settlement Agreement in accordance with its terms. If the Court does
5 not so approve this Settlement Agreement, the Parties agree to meet and confer to address the
6 Court's concerns. If the Parties are unable to agree upon a resolution, the Parties agree to refer their
7 dispute to the Mediator for informal assistance in seeking a resolution. If thereafter the Parties are
8 unable to resolve the dispute, the Parties intend this Settlement Agreement to become null and void,
9 and unenforceable, in which event the settlement terms set forth in this Settlement Agreement,
10 including any modifications made with the consent of the Parties, and any action taken or to be taken
11 in connection with this Settlement Agreement shall be terminated and shall become null and void
12 and have no further force or effect, and the class certified for settlement purposes pursuant to this
13 Settlement Agreement will be decertified for all purposes.

14 b. In the event the Court does not grant preliminary or final approval of the
15 Parties' settlement, or in the event that this Settlement Agreement shall terminate or the settlement
16 embodied in this Settlement Agreement does not become effective for any reason, the Settlement
17 Agreement and all negotiations, court orders, and proceedings relating to the Settlement Agreement
18 shall be without prejudice to the rights of the Named Plaintiff, Class Members, Aggrieved
19 Employees, and Defendant, each of whom shall be restored to their respective positions existing
20 prior to the execution of this Settlement Agreement, and evidence relating to the Settlement
21 Agreement and all negotiations shall not be discoverable or admissible in the Action or any other
22 litigation. Defendant does not waive, and instead expressly reserves, its rights to challenge the
23 propriety of class certification and/or the Action proceeding on a representative basis for any
24 purpose should the Court not grant preliminary or final approval of the Settlement Agreement.

25 40. Participating Class Members' Release Of Claims. Upon the funding of the Gross
26 Settlement Amount, the Named Plaintiff and all Participating Class Members shall be deemed to
27 have fully, finally, and forever released, settled, compromised, relinquished and discharged
28

1 Defendant and each of the Released Parties from the Class Released Claims that arose during the
2 Class Period.

3 a. This release by the Named Plaintiff and each Participating Class Member is
4 intended to settle any and all of the Class Released Claims that any of them may have against
5 Defendant or any of the Released Parties during the Class Period.

6 b. Because it is impossible or impracticable to have each Class Member execute
7 this Agreement, the Class Notice will advise all Class Members of the binding nature of the release
8 and such notice will have the same force and effect as if the Agreement were executed by each Class
9 Member.

10 41. Release of PAGA Claims. In exchange for the PAGA Amount recited in this
11 Agreement, the Named Plaintiff, as the representative for the State of California and on behalf of
12 the State of California, and on behalf of the Named Plaintiff's current, former, and future heirs,
13 executors, administrators, attorneys, agents, and assigns will, upon payment of the Gross Settlement
14 Amount, forever completely release and discharge Defendant and each of the Released Parties from
15 the PAGA Claims that arose during the PAGA Period. The State of California will be deemed by
16 operation of the Final Order and Judgment to have agreed not to sue or otherwise make a claim
17 against Defendant and/or any of the Released Parties for the PAGA Claims that arose during the
18 PAGA Period, to the extent permissible by law.

19 42. Full Release By The Named Plaintiff. Upon payment of the Gross Settlement
20 Amount, the Named Plaintiff, on behalf of himself and on behalf of his current, former, and future
21 heirs, executors, administrators, attorneys, agents, and assigns, fully releases and discharges
22 Defendant and each of the Released Parties from the Class Released Claims, the PAGA Claims, and
23 any and all other claims (known or unknown) that the Named Plaintiff now has or claims to have,
24 or has ever had or claimed to have, against Defendant and the Released Parties from the beginning
25 of time to the date Named Plaintiff signs this Agreement. Without limiting the generality of the
26 foregoing, the Named Plaintiff specifically and expressly releases to the maximum extent permitted
27 by law any claims against Defendant and the Released Parties arising out of or relating to the Named
28

Plaintiff's employment or the termination of his employment with Defendant and any other Released Party. This general release by the Named Plaintiff includes a waiver of Named Plaintiff's rights under Civil Code Section 1542, which provides:

"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."

This release does not include claims which cannot be released as a matter of law such as unemployment claims or Worker's Compensation benefits claims.

43. No Prior Assignments. The Named Plaintiff represents and warrants that he has 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 rights released and discharged by this Settlement Agreement.

44. Neutral Employment Reference. Named Plaintiff agrees to direct all individuals inquiring about his employment with Defendant to Mimi Woods, Defendant's Director-Human Resources at 951-493-7132. Defendant will respond by providing only Named Plaintiff's last position held and dates of employment.

45. Settlement Payments And Calculation Of Claims. Subject to final Court approval and the conditions specified in this Agreement, and in consideration of the mutual covenants and promises set forth in this Agreement, Defendant agrees to pay the Gross Settlement Amount of \$350,000.00, subject to the escalator provision in paragraph 46 of the Settlement. The Gross Settlement Amount includes, but is not limited to, payments to be made to Participating Class Members, Class Counsel's Attorneys' Fees and Costs, an Enhancement Award to the Named Plaintiff, the PAGA Amount, and Settlement Administration Fees and Costs. For the avoidance of doubt, subject to the conditions set forth in this Settlement Agreement, Defendant shall not be required to pay any amount over \$350,000.00 (subject to the escalator provision in paragraph 46 of

1 the Settlement) for this Settlement Agreement, apart from the employer's share of applicable payroll
2 taxes which will be paid by Defendant in addition to the Gross Settlement Amount.

3 46. Settlement Escalator. The Settlement is based on the estimation that there were no
4 more than 22,467 workweeks during the period from November 1, 2020, through July 22, 2025, the
5 date of the mediation. If the total number of workweeks during the Class Period increases to a figure
6 that is 10% greater than 22,467 (i.e., greater than 24,714), Defendant will pay a proportional increase
7 in the Gross Settlement Amount for each additional workweek over 24,714.

8 a. Example: If the total number of workweeks through the date the Court grants
9 preliminary approval of the class settlement, is 25,612 (i.e., 14% higher than 22,467), Defendant
10 would increase the Gross Settlement Amount by 4% (\$14,000.00).

11 47. Apportionment of Gross Settlement Amount. The Parties agree, subject to Court
12 approval and the conditions specified in this Agreement, that the Gross Settlement Amount shall be
13 apportioned as follows:

14 a. Class Counsel Attorneys' Fees and Costs: At the final approval hearing,
15 Class Counsel will apply to the Court for an award of Attorneys' Fees of no more than one third
16 (33.33%) of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 46 of this
17 Agreement, equals \$116,550.00. Class Counsel will also apply to the Court for an award of actual
18 costs incurred by Class Counsel not to exceed the amount of \$18,000.00. These fees and costs are
19 included in, and shall come from, the Gross Settlement Amount. Class Counsel will be issued an
20 IRS Form 1099 for any fees and costs awarded by the Court pursuant to this Agreement. Except as
21 provided in this paragraph, each Party will bear its own attorneys' fees, costs, and expenses incurred
22 in the prosecution, defense, or settlement of the Action. If the Court awards a lower amount of
23 Attorneys' Fees and Costs than the amount requested, any amount not awarded will be part of the
24 distribution to the Participating Class Members as set forth in this Agreement and shall not be a
25 reason to invalidate/terminate this Agreement.

26 b. Settlement Administrator Costs: At the final approval hearing, Class Counsel
27 will apply to the Court for approval of Settlement Administration costs, currently estimated at
28

1 \$8,650.00. These costs are included in, and shall come from, the Gross Settlement Amount. If the
 2 actual amount of the Settlement Administration Costs is less than \$8,650.00, the difference shall be
 3 added to the Net Class Settlement Amount. If the Settlement Administration Costs exceed \$8,650.00
 4 then such excess will be paid solely from the Gross Settlement Amount and Defendant will not be
 5 responsible for paying any additional funds in order to pay these additional costs.

6 c. Named Plaintiff Enhancement Award: At the final approval hearing, Class
 7 Counsel will apply to the Court for an award of up to \$7,000.00 to the Named Plaintiff as an
 8 Enhancement Award for his services and for assuming the risks associated with this litigation and
 9 for the time spent in assisting Class Counsel to litigate this Action. Defendant will not oppose such
 10 application. The Enhancement Award is included in, and shall come from, the Gross Settlement
 11 Amount. The Named Plaintiff will be issued an IRS Form 1099 for the Enhancement Award
 12 approved by the Court pursuant to this Paragraph. The Enhancement Award payable to the Named
 13 Plaintiff shall be in addition to any payment he may receive pursuant to Paragraph 47.e, below. If
 14 the Court awards less than the amount requested, any amount not awarded will be part of the
 15 distribution to the Participating Class Members as set forth in this Agreement and shall not be a
 16 reason to invalidate/terminate this Agreement.

17 d. PAGA Amount: At the final approval hearing, Class Counsel will apply to
 18 the Court for approval of the PAGA Amount of \$25,000.00, for claims for civil penalties asserted
 19 under PAGA. Class Counsel will submit notice of this Settlement Agreement to the LWDA, as
 20 required by Labor Code § 2699(l)(2). The Parties agree that 65% of the PAGA Amount
 21 (\$16,250.00) will be paid to the LWDA as the “**LWDA Payment**,” and the remaining 35%
 22 (\$8,750.00) will be allocated to the Aggrieved Employees as the “**PAGA Payment**.” The portion
 23 of the PAGA Payment allocated to each of the Aggrieved Employees will be calculated using the
 24 same formula as set forth in Paragraph 47.e. Any Class Members who worked during the PAGA
 25 Period and who opt out of the Class Settlement will still be considered Aggrieved Employees and,
 26 therefore, will (i) receive their portion of the PAGA Payment (the Individual PAGA Payment); and
 27 (ii) release all PAGA Claims against the Released Parties.

e. Individual Settlement Payments. The Individual Settlement Payments shall consist of: (i) each Participating Class Member's *pro rata* portion of the Net Class Settlement Amount (the "**Participating Class Member Payment**"); and (ii) if applicable, each Aggrieved Employee's *pro rata* portion of the PAGA Payment (the "**Individual PAGA Payment**").

i) Participating Class Member Payment: Each Participating Class Member will be entitled to a *pro rata* portion of the Net Class Settlement Amount. Participating Class Member Payments will be calculated from the Net Class Settlement Amount based on the respective number of workweeks worked by each Participating Class Member in a non-exempt position in California during the Class Period. All Participating Class Members will be deemed to have worked during at least one workweek during the Class Period. Each Participating Class Member's share of the Net Class Settlement Amount will be calculated by dividing the Participating Class Member's workweeks worked in a non-exempt position by the total number of workweeks worked by all Participating Class Members in a non-exempt position during the Class Period and multiplying this figure by the Net Class Settlement Amount. The Class Notice will include the number of workweeks that the Class Member worked during the Class Period and the amount the Class Member is estimated to receive under the terms of the Settlement Agreement.

ii) Individual PAGA Payment: Each Aggrieved Employee, will also receive a *pro rata* share of the PAGA Payment, as set forth in Paragraph 47.d (the Individual PAGA Payment). Individual PAGA Payments will be calculated from the PAGA Payment based on the respective number of workweeks worked by each Aggrieved Employee in a non-exempt position in California during the PAGA Period. All Aggrieved Employees will be deemed to have worked during at least one workweek during the PAGA Period. Each Aggrieved Employee's share of the PAGA Payment will be calculated by dividing the Aggrieved Employee's workweeks worked in a non-exempt position by the total number of workweeks worked by all Aggrieved Employee in a non-exempt position during the PAGA Period and multiplying this figure by the PAGA Payment.

f. The Parties acknowledge and agree that the formula used to calculate the Individual Settlement Payments (including the Participating Class Member Payments and Individual

1 PAGA Payments) does not mean that all of the elements of damages, restitution, and penalties
2 alleged in the Action are not being taken into account. The above formula was devised as a practical
3 and logistical method to simplify the participation process.

4 g. Participating Class Member Payments shall be distributed only to
5 Participating Class Members. The portion of the Net Class Settlement Amount allocated to Class
6 Members who opt out of the Settlement will be distributed to Participating Class Members on a *pro*
7 *rata* basis based on the formula set forth in Paragraph 47.e. Individual PAGA Payments will be
8 distributed to all Aggrieved Employees.

9 h. The Parties agree that, under no circumstances shall Defendant be obligated
10 to pay any amount under this Agreement to any Class Member other than Participating Class
11 Members, with the exception of the Individual PAGA Payments which are not affected by a Class
12 Member opting-out of the Settlement. In addition, the Parties agree that, except as provided in
13 Paragraph 46, under no circumstances shall Defendant be obligated to pay more than the Gross
14 Settlement Amount in full settlement of the Action.

15 48. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
16 Participating Class Members under this Agreement, including the Individual PAGA Payments made
17 to Aggrieved Employees, will not be utilized to calculate any additional benefits under any benefit
18 plans to which any Participating Class Member or Aggrieved Employees may be eligible including,
19 but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation
20 plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
21 that this Agreement will not affect any rights, contributions, or amounts which any Participating
22 Class Member or Aggrieved Employee may be entitled to under any benefit plans.

23 49. Taxation Of Settlement Proceeds. All settlement payments paid to Participating
24 Class Members, Aggrieved Employees, and the Named Plaintiff will be paid in a net amount after
25 applicable state and federal tax withholdings, including payroll taxes, have been deducted.

26 a. The Participating Class Member Payments shall be reported as follows:
27 (i) 35% of the amount distributed to each Participating Class Member will be considered wages, and
28

1 will be reported as such to each Participating Class Member on a W-2 Form; (ii) 55% of the amount
 2 distributed to each Participating Class Member will be considered statutory penalties, and will be
 3 reported as such to each Participating Class Member on an IRS Form 1099; and (iii) 10% of the
 4 amount distributed to each Participating Class Member will be considered pre-judgement interest,
 5 and will be reported as such to each Participating Class Member on an IRS Form 1099. The PAGA
 6 Payments distributed to each Aggrieved Employee will be considered penalties and will be reported
 7 on an IRS Form 1099.

8 b. Prior to mailing the Individual Settlement Payments, the Settlement
 9 Administrator will calculate, withhold from the Individual Settlement Payment, and remit to
 10 applicable governmental agencies sufficient amounts as may be owed by Participating Class
 11 Members for required withholdings and taxes, including all payroll taxes. The Settlement
 12 Administrator will issue appropriate tax forms to each Participating Class Member and Aggrieved
 13 Employee consistent with the foregoing breakdown. The Parties understand that the Named
 14 Plaintiff, Participating Class Members, and Aggrieved Employees who receive an Individual
 15 Settlement Payment, including an Individual PAGA Payment, pursuant to this Agreement shall be
 16 solely responsible for any and all tax obligations associated with such receipt.

17 c. The Parties stipulate that the Settlement Fund (as defined at Paragraph 54)
 18 will qualify as a settlement fund pursuant to the requirements of Section 468(B)(g) of the Internal
 19 Revenue Code of 1986, as amended, and Section 1.468B-1 *et seq.* of the federal income tax
 20 regulations. Furthermore, the Settlement Administrator is designated as the “**Administrator**” of
 21 the qualified settlement funds for purposes of Section 1.468B-2(k) of the income tax regulations.
 22 Accordingly, all taxes imposed on the gross income of the Settlement Fund and any tax-related
 23 expenses arising from any income tax return or other reporting document that may be required by
 24 the Internal Revenue Service or any state or local taxing body will be paid from the Settlement Fund.

25 d. All Parties represent and acknowledge that nothing in this Settlement
 26 Agreement constitutes tax advice regarding the tax treatment of payments under federal, state, or
 27 local law. The Named Plaintiff, Participating Class Members, and Aggrieved Employees will
 28

1 assume any such tax obligations or consequences that may arise from this Settlement Agreement
2 and Class Members shall not seek any indemnification from the Parties or any of the Released
3 Parties in this regard. In the event that any taxing body determines that additional taxes are due
4 from any Class Member or Aggrieved Employee, including Named Plaintiff, such Class Member or
5 Aggrieved Employee assumes all responsibility for the payment of such taxes.

6 50. Notice Procedure. Within 14 calendar days after entry of the Preliminary Approval
7 Order, Defendant will provide to the Settlement Administrator a list of Class Members that identifies
8 each Class Member by name, Social Security Number, and last-known address, and which specifies
9 the number of workweeks worked by each Class Member in a non-exempt position in California
10 during the Class Period and the PAGA Period (the “**Class List**”). Defendant will provide the Class
11 List in an Excel file or other format reasonably acceptable to the Settlement Administrator. The
12 Settlement Administrator will keep the list confidential.

13 a. Upon receipt of the Class List, the Settlement Administrator shall perform a
14 search based upon the National Change of Address Database to update and correct any known or
15 identifiable address changes. The Settlement Administrator shall exercise its best judgment to
16 determine the current mailing address for each Class Member. Within 10 calendar days after receipt
17 of the Class List from Defendant, the Settlement Administrator will send the Class Notice to each
18 Class Member via First Class U.S. Mail. Receipt of the Class Notice shall be presumed as to each
19 and every Class Member whose Class Notice is not returned to the Settlement Administrator as
20 undeliverable within 14 calendar days after mailing.

21 b. The Settlement Administrator will re-mail any notice packet returned by the
22 United States Postal Service with a forwarding address on or before the expiration of the Notice
23 Period. It shall be conclusively presumed that those Class Members whose re-mailed Class Notice
24 is not returned to the Settlement Administrator as undeliverable within 10 calendar days after re-
25 mailing, received the Class Notice. Class Members who receive a re-mailed Class Notice shall have
26 either 45 days from the original mailing or 15 days from the re-mailing, whichever is later, to object,
27 opt out, or dispute the workweeks attributed to the Class Member.

28

c. The Settlement Administrator will use the appropriate skip tracing and National Change of Address searches to increase the likelihood of delivery of the Class Notice to Class Members, and to re-mail the notice packets returned by the Postal Service without a forwarding address upon locating new or alternate addresses after a reasonable search.

d. Class Counsel will provide to the Court, in connection with seeking final approval of the Settlement, a declaration from the Settlement Administrator confirming that the Class Notice was mailed to all Class Members as required by this Agreement.

51. Dispute Procedure. The Class Notice will include a procedure by which a Class Member may dispute the number of workweeks allocated to the Class Member by submitting a written dispute sent via U.S. Mail to the Settlement Administrator postmarked no later than the expiration of the Notice Period (“**Workweek Dispute**”). To be valid, a Workweek Dispute must contain the following: (i) the Class Member’s full name, current address, and signature; (ii) the Action name and case number; (iii) the number of workweeks the Class Member maintains is correct; and (iv) documentary evidence sufficient to prove that Defendant’s calculation of the workweeks for the Class Member is incorrect, if any. Upon receipt of notice of a Workweek Dispute, the Settlement Administrator shall promptly serve Defendant’s counsel with a copy of the Workweek Dispute and any accompanying papers. Defendant’s counsel will inform Class Counsel of any such dispute. No Workweek Dispute shall be effective or considered for any purpose unless it is timely mailed by U.S. mail to and received by the Settlement Administrator as provided above. Defendant shall have the right to respond to the Workweek Dispute by any Class Member. The Settlement Administrator will resolve the Workweek Dispute and make a final and binding determination without hearing or right of appeal.

a. Within 10 calendar days after the close of the Notice Period, the Settlement Administrator will provide Class Counsel and Defendant’s counsel with a report listing the amount of all Individual Settlement Payments, including Individual PAGA Payments, to be made to Participating Class Members and Aggrieved Employees. The report to Class Counsel will not

include the names or contact information or any other identifying information of Participating Class Members and Aggrieved Employees.

52. Opt-Out Procedure. Unless a Class Member opts out of the settlement described in this Agreement, the Class Member will be bound by the terms and conditions of this Agreement, including the release of the Class Released Claims that arose during the Class Period. A Class Member will not be entitled to opt out of the settlement established by this Settlement Agreement unless the Class Member submits a valid opt-out request (“**Opt-Out Request**”). A valid Opt-Out Request must: (i) contain the Class Member’s full name, current address, and signature; (ii) the Action name and case number; (iii) a written request clearly expressing the Class Member’s desire to be excluded from (or opt out of) the Settlement; and (iv) be returned so that it is postmarked on or before the expiration of the Notice Period. Any Class Members who worked during the PAGA Period and who opt out of the Settlement will still be considered Aggrieved Employees for purposes of this Settlement Agreement and will be bound by the release of the PAGA Claims.

a. Upon receipt of any Opt-Out Request within the Notice Period, the Settlement Administrator shall review the Opt-Out Request to confirm that it complies with the opt-out requirements of this Settlement Agreement.

b. Any Class Member who fails to submit a timely, complete, and valid Opt-Out Request will be barred from opting out of this Settlement Agreement or the settlement, unless otherwise ordered by the Court. If the Settlement Administrator receives a timely Opt-Out Request that is incomplete, it will make reasonable attempts to contact the Class Member to cure the defect. The Settlement Administrator will not consider any Opt-Out Request postmarked after the end of the Notice Period, but will report its receipt of any such requests to Class Counsel and counsel for Defendant. It shall be presumed that if an Opt-Out Request is not postmarked on or before the end of the Notice Period, the Class Member did not make the request in a timely manner. A declaration submitted by any Class Member attesting to the mailing of an Opt-Out Request on or before the expiration of the Notice Period shall be insufficient to overcome the conclusive presumption that the Opt-Out Request was untimely. Under no circumstances shall the Settlement Administrator

1 have the authority to extend the deadline for Class Members to submit a request to opt out of the
2 settlement without the Parties' joint written consent.

3 c. At the close of the Notice Period, the Settlement Administrator shall report
4 the names of all individuals who opted out of the Settlement Agreement to the parties and include
5 this information in a Declaration regarding the distribution of the notice that will be provided in
6 support of Plaintiff's Motion for Final Approval.

7 d. If 15% or more Class Members timely opt out of the settlement, Defendant
8 will have the sole and absolute discretion to withdraw from this Settlement Agreement within ten
9 (10) business days after Defendant receives notice of the number of opt-outs. Defendant will
10 provide written notice to Class Counsel if it intends to withdraw from this Settlement Agreement.
11 In the event that Defendant elects to so withdraw, the withdrawal shall have the same effect as a
12 termination of this Settlement Agreement for failure to satisfy a condition of settlement, and the
13 Settlement Agreement shall become null and void and have no further force or effect, and the class
14 certified pursuant to this Settlement Agreement will be decertified for all purposes. If Defendant
15 chooses to terminate this Settlement Agreement under this provision, it shall be responsible to pay
16 the Settlement Administrator's fees and costs. If the Settlement Agreement is terminated for any
17 other reason, including the Court's failure to grant final approval of the Parties' settlement, then
18 Class Counsel and Defendant will be jointly responsible for the Settlement Administrator's fees and
19 costs.

20 53. Objections To Settlement. Any Class Member may object to the Settlement
21 Agreement. Any written objection must be mailed or emailed to the Settlement Administrator (who
22 shall promptly provide a copy to Class Counsel and counsel for Defendant) by the close of the
23 Notice Period. Class Counsel will ensure that any written objections are filed with the Court
24 concurrently with the final approval documents by having it attached to the Settlement
25 Administrator's Declaration. Class Members who have not objected in writing may still appear and
26 be heard at the Final Approval Hearing.

1 a. Written objections to the Settlement Agreement must contain at least the
2 following: (i) the objecting Class Member's full name, current address, and signature; (ii) a clear
3 reference to the Action; and (iii) a statement of the specific reasons why the objector believes the
4 Settlement Agreement is unfair or objects to the Settlement Agreement. All objections shall be
5 signed by the objecting Class Member or the Class Member's legally-authorized representative.

6 b. Class Counsel or Defendant's counsel may, up to five (5) court days before
7 the Final Hearing Date, file responses to any written objections submitted to the Court.

8 c. Unless they opt out of the Settlement Agreement as specified in
9 Paragraph 52, Class Members who object to the proposed settlement or the Agreement will remain
10 Participating Class Members, and shall be deemed to have voluntarily waived their right to pursue
11 an independent remedy against Defendant and the other Released Parties. To the extent any
12 Participating Class Member objects to the proposed settlement or Agreement and such objection is
13 overruled in whole or in part, such individuals will be bound by the Court's Final Approval Order.

14 d. In the event that any person objects to or opposes this proposed settlement or
15 the Settlement Agreement, or attempts to intervene in or otherwise enter the Action, the Parties and
16 Class Counsel will use their best efforts to defend the Settlement Agreement.

17 e. A Class Member cannot both opt out and object to the Settlement Agreement.
18 If a Class Member both objects and opts out of the Settlement Agreement, the opt-out will control
19 and the objection will be deemed invalid.

20 54. Funding And Distribution Of Settlement.

21 a. Within ten (10) calendar days of the close of the Notice Period, the Settlement
22 Administrator will provide a draft declaration to Class Counsel and Defendant's counsel setting
23 forth the number of Participating Class Members and Aggrieved Employees; the identity of those
24 individuals who opted out of the Settlement Agreement; the total amount payable to all Participating
25 Class Members and Aggrieved Employees; and the total PAGA Amount, Attorneys' Fees and Costs,
26 Enhancement Award, Settlement Administration Costs, Net Class Settlement Amount, and the

1 appropriate applicable employer's taxes for any portion of the Individual Settlement Payments
2 designated as wages.

3 b. Upon the Court entering the Final Order and Judgment, and within 30 days
4 after the Effective Date, Defendant shall remit to the Settlement Administrator the Gross Settlement
5 Amount of \$350,000.00, subject to the escalator provision in paragraph 46 of the Settlement
6 Agreement, and Defendant shall remit to the Settlement Administrator its respective taxes for any
7 portion of the Individual Settlement Payments designated as wages (the collectively, "**Settlement**
8 **Fund**"). The delivery by Defendant of the Settlement Fund to the Settlement Administrator will
9 constitute the full and complete discharge of the entire obligation of Defendant under this
10 Agreement, unless anything further is requested by the Settlement Administrator to ensure timely
11 and proper disbursement. No Released Party will have any further obligation or liability to the
12 Named Plaintiff, Participating Class Members, Aggrieved Employees, or Class Counsel under this
13 Agreement, in connection with the claims released herein, regardless of whether the Named
14 Plaintiff, Participating Class Members, Aggrieved Employees, or Class Counsel receive the
15 payments from the Settlement Administrator set forth in this Agreement.

16 c. The distribution of Individual Settlement Payments to Participating Class
17 Members and Aggrieved Employees will occur no later than thirty (30) calendar days after receipt
18 of the Settlement Fund from Defendant ("**Settlement Proceeds Distribution Deadline**"). The
19 Settlement Administrator shall be deemed to have timely distributed Individual Settlement
20 Payments, including Individual PAGA Payments, if it places in the mail the Individual Settlement
21 Payments for all Participating Class Members and the Individual PAGA Payments for all Aggrieved
22 Employees by the Settlement Proceeds Distribution Deadline. No person will have any claim
23 against the Settlement Administrator, Defendant, Class Counsel, Defendant's counsel, or any other
24 agent designated by the Named Plaintiff or Class Counsel based upon the distribution of Individual
25 Settlement Payments made substantially in accordance with this Agreement or further orders of the
26 Court.

d. The distribution of the LWDA Payment, Attorneys' Fees and Costs, and the Enhancement Award shall occur no later than thirty (30) calendar days after the Settlement Administrator receives the Settlement Fund from Defendant.

e. If a Participating Class Member's or Aggrieved Employee's check is returned to the Settlement Administrator, the Settlement Administrator will make reasonable efforts to re-mail it to the Participating Class Member or Aggrieved Employee at the correct address. It is expressly understood and agreed that the checks for the Individual Settlement Payments, including the Individual PAGA Payments, will become void and no longer available if not cashed within 180 calendar days after mailing. After the checks are voided, if the remaining funds from the voided checks amounts to more than \$6,000, then the remaining funds will be distributed to the Participating Class Members who have cashed their checks, after paying an amount not to exceed \$2,000 to the Settlement Administrator for this additional distribution work. If the remaining funds from the voided checks amounts to \$6,000 or less, then the uncashed funds intended for Class Members will be transferred to the California State Controller's Office as unclaimed property in the name of the Participating Class Member, and uncashed funds intended for Aggrieved Employees will be transferred to the LWDA.

f. Defendant will not be obligated to make any payments contemplated by this Settlement Agreement unless and until the Court enters the Final Order and Judgment, and after the Effective Date of the Settlement Agreement.

g. Within sixty (60) calendar days of the Settlement Proceeds Distribution Deadline, the Settlement Administrator will provide written certification of completion of settlement administration to Class Counsel and to Defendant's Counsel.

55. Binding Effect Of Agreement On Class Members. Subject to final Court approval and the occurrence of the Effective Date, and unless otherwise provided in this Settlement Agreement, all Participating Class Members will be bound by this Settlement Agreement.

56. Binding Effect Of Agreement On State of California. The State of California and any person seeking to assert a claim on behalf of the State of California with respect to the released

1 PAGA Claims, to the extent permitted by law, shall be deemed by operation of the Final Order and
2 Judgment to have agreed not to sue or otherwise make a claim against Defendant or any of the
3 Released Parties for any of the PAGA Claims and to be bound by the release of the PAGA Claims
4 during the PAGA Period as set forth in this Settlement Agreement.

5 57. Provisional Approval Of Settlement. Named Plaintiff will file a motion in the Action
6 requesting that the Court enter the Preliminary Approval Order shortly after complete execution of
7 this Settlement Agreement. Defendant will not oppose Class Counsel's motion for preliminary
8 approval of the settlement so long as the motion and supporting papers are consistent with the terms
9 of this Settlement Agreement. Class Counsel will provide Defendant's counsel at least 10 calendar
10 days to review, and provide comments to, the draft motion for preliminary approval of the settlement
11 before the motion and supporting papers are filed with the Court. Defendant's counsel agrees to
12 review and provide comments, if any, within five calendar days of receipt of Plaintiff's motion for
13 preliminary approval. Notwithstanding the foregoing, Defendant may, without opposing the
14 preliminary approval motion, advise the Court if Defendant disputes any of the factual statements
15 concerning the claims at issue included by the Named Plaintiff in the motion and supporting papers.
16 Defendant's counsel will meet and confer with Class Counsel regarding any disputed factual
17 statements before notifying the Court of any disputes.

18 58. Non-Interference With Claims Procedure. The Parties and their counsel agree that
19 they will not advise, solicit, or otherwise encourage any Class Members to submit requests for
20 exclusion or objections to the settlement or to appeal from the Final Order or Final Judgment.
21 Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with
22 Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

23 59. Final Order and Judgment. The Named Plaintiff will request that the Court enter,
24 after the Settlement Hearing finally approving this Settlement Agreement, a Final Order and
25 Judgment. Named Plaintiff will request that the Final Order and Judgment certify the Participating
26 Class; find that this Settlement Agreement is fair, just, equitable, reasonable, adequate and in the
27 best interests of the Class and the Aggrieved Employees; list the employees (if any) who opted-out
28

1 of the settlement; order that the Participating Class Members release the Released Parties from the
2 Class Released Claims; order that the Aggrieved Employees and the State of California release the
3 Released Parties from the PAGA Claims as set forth in this Settlement Agreement (to the extent
4 permitted by law); and require the Parties to carry out the provisions of this Settlement Agreement.

5 60. Automatic Voiding Of Agreement If Settlement Not Finalized. If for any reason the
6 settlement set forth in this Settlement Agreement does not become final, the settlement will be null
7 and void and the orders, judgment, and dismissal to be entered pursuant to this Settlement
8 Agreement shall be vacated, and the Parties will be returned to the status quo prior to entering this
9 Settlement Agreement with respect to the Action, as if the Parties had never entered into this
10 Settlement Agreement, and the class certified pursuant to this Settlement Agreement will be
11 decertified for all purposes. In addition, in such event, the Settlement Agreement and all
12 negotiations, court orders, and proceedings relating to this Settlement Agreement shall be without
13 prejudice to the rights of any and all parties to this Settlement Agreement, and evidence relating to
14 the Settlement Agreement and all negotiations shall not be admissible or discoverable in the Action
15 or otherwise.

16 61. No Publicity. The Named Plaintiff and Class Counsel agree that they shall not
17 publicize the filing of the Action, the Parties' settlement, this Settlement Agreement and its terms,
18 or the negotiations leading to this Settlement Agreement with anyone other than the Court, Class
19 Members, or those individuals necessary to effectuate the terms of the Settlement Agreement. The
20 prohibition set forth in this Paragraph 61 includes, but is not limited to: (i) publication by Named
21 Plaintiff or Class Counsel on any website (including, without limitation, publishing on any Twitter
22 account, Facebook, other social media, or blog, or business website) of the amount or terms of the
23 settlement, with or without identifying information; and (ii) the submission of information to
24 Verdicts & Settlements or any other publication that summarizes the results of jury verdicts and
25 settlements.

26 a. Notwithstanding the foregoing, Class Counsel may respond to questions
27 received from, and discuss any aspect of this Settlement Agreement with the Class Members or their
28

1 legal representatives, the Settlement Administrator, the Court, and representatives of the California
2 LWDA.

3 b. Notwithstanding the forgoing, nothing in this Paragraph shall prohibit the
4 filing of information with the Court or the LWDA relating to the Settlement Agreement that is
5 necessary to effectuate this Agreement, or the online posting of documents relating to the Action by
6 the Settlement Administrator as permitted by this Settlement Agreement, including the Judgment
7 entered by the Court.

8 c. The Named Plaintiff and Class Counsel agree that all data and information
9 informally produced by Defendant in connection with the settlement of the Action will be
10 maintained in confidence, and will not be shared with any other persons or entities, and will not be
11 used for any purpose other than settlement of the Action.

12 62. Invalidation Of Agreement For Failure To Satisfy Conditions. If the Court makes
13 material changes to the material terms or conditions of this Settlement Agreement that are not agreed
14 to by the Parties, either Party shall have the right to terminate this Settlement Agreement, in which
15 case Defendant would not be obligated to make any payments contemplated by this Agreement
16 including any payments to any Class Member, to Class Counsel, or to the Named Plaintiff. The
17 Parties shall meet and confer in good faith and involve the Mediator as necessary before exercising
18 such right.

19 63. Modification In Writing. This Settlement Agreement may be altered, amended,
20 modified or waived, in whole or in part, only in a writing signed by all signatories to this Settlement
21 Agreement and approved by the Court. This Settlement Agreement may not be amended, altered,
22 modified or waived, in whole or in part, orally.

23 64. Ongoing Cooperation. The Named Plaintiff and Defendant will execute all
24 documents and perform all acts necessary and proper to effectuate the terms of this Settlement
25 Agreement. In the event the Parties are unable to reach an agreement on the form or content of any
26 document needed to implement the Settlement Agreement, or any supplemental provisions that may
27
28

become necessary to effectuate the terms of the Settlement Agreement, the Parties agree to seek the assistance of the Mediator and, if still unable to resolve their dispute, the Court.

65. Notices. All notices, requests, demands, and other communications required or permitted to be given pursuant to this Settlement Agreement shall be in writing, and shall be delivered personally or by first class mail to the Settlement Administrator approved by the Court and the undersigned persons at their respective addresses as set forth below:

CLASS COUNSEL

THE WHEELER LAW FIRM, APC
Scott Ernest Wheeler (State Bar No. 187998)
sew@scottwheelerlawoffice.com
Justin A. Wheeler (State Bar No. 342226)
jaw@scottwheelerlawoffice.com
250 West First Street, Suite 216
Claremont, California 91711
Tel: (909) 621-4988

COUNSEL FOR DEFENDANT

RUTAN & TUCKER, LLP
Edson K. McClellan (State Bar No. 199541)
emcclellan@rutan.com
Kimberly A. Nayagam (State Bar No. 301058)
knayagam@rutan.com
18575 Jamboree Road, 9th Floor
Irvine, CA 92612
Telephone: 714-641-5100

66. Binding on Successors. This Settlement Agreement will be binding upon and will inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives.

67. Entire Agreement. This Settlement Agreement constitutes the full, complete, and entire understanding, agreement, and arrangement between the Named Plaintiff, the Class Members, and the Aggrieved Employees, on the one hand, and Defendant, on the other hand, with respect to the settlement of the Action. This Settlement Agreement supersedes any and all prior oral or written understandings, agreements, and arrangements between the Parties with respect to the settlement of

the Action. Except for those set forth expressly in this Settlement Agreement, there are no other agreements, covenants, promises, representations or arrangements between the Parties with respect to the settlement of the Action, the PAGA Claims, and the Class Released Claims against Defendant and the Released Parties. The Parties explicitly 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 agree that no such extrinsic oral or written representations or terms shall modify, vary, or contradict the terms of this Settlement Agreement.

68. Execution In Counterparts. This Settlement Agreement may be signed in one or more counterparts. All executed copies of this Settlement Agreement, and photocopies of the Settlement Agreement (including DocuSign, facsimile and e-mail copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

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

70. Governing Law. This Settlement Agreement shall be interpreted, construed, enforced, and administered in accordance with the laws of the State of California, without regard to conflict of law rules.

71. Reservation Of Jurisdiction. Notwithstanding the dismissal of the Action and entry of the Final Order and Judgment, the Court shall retain jurisdiction for purposes of interpreting and enforcing the terms of this Settlement Agreement.

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

73. Representation and Warranties. Class Counsel and the Named Plaintiff represent and warrant to Defendant that they are not aware of any attorneys beyond those named as Class Counsel who have claims for fees arising out of the Action or the settlement contemplated by this Settlement Agreement.

74. Authorization to Act. Each Party to this Settlement Agreement covenants and warrants that (a) such Party has full power and authority to enter into and consummate all transactions contemplated by this Settlement Agreement and have duly authorized the execution, delivery, and performance of this Settlement Agreement; and (b) the person executing this Agreement for such Party has the full right, power, and authority to enter into this Settlement Agreement on behalf of such Party, and the full right, power, and authority to execute any and all necessary instruments in connection with the settlement, and to fully bind such Party to the terms and obligations of this Settlement Agreement.

75. Representation By Counsel. The Parties acknowledge that each of them has been represented by their respective 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 their respective counsel. Further, the Named Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement, and that after entry by the Court of the Final Order and Judgment, the Settlement Administrator may distribute funds to Participating Class Members, Aggrieved Employees, Class Counsel, the LWDA, the Settlement Administrator, and the Named Plaintiff as provided by this Agreement.

76. Representation By The Named Plaintiff. The Named Plaintiff agrees not to request to be excluded from the Class and not to object to any terms of this Settlement Agreement. Any such request by the Named Plaintiff for exclusion or objection shall be void and of no force or effect.

77. Additional Attorneys' Fees and Costs. No Participating Class Member, Aggrieved Employee, or Class Counsel, or any other attorney acting for any Participating Class Member or Aggrieved Employee may recover or seek to recover any amounts for fees, costs, or disbursements

arising from the Action or the Gross Settlement Amount from the Released Parties except as expressly provided for in this Settlement Agreement.

78. No Reliance on Representations. The Parties have made such investigations of the facts and the law pertaining to the matters described in this Settlement Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any other Party, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Settlement Agreement, or with respect to any such matters. No representations, warranties, or inducements have been made to any Party concerning this Settlement Agreement.

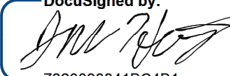
79. No Collateral Attack. This Settlement Agreement will not be subject to collateral attack by any Class Member or any recipient of the Class Notice after the Final Order and Dismissal. Such prohibited collateral attacks shall include but not be limited to claims that the Class Member failed for any reason to receive timely notice of the procedure for disputing the calculation of their Individual Settlement Payment, or for opting out of the Settlement Agreement.

IT IS SO AGREED:

Dated: 10/30/2025

JAMES HENRIQUEZ

By:

DocuSigned by:

73200988419C4B4...

Plaintiff James Henriquez

Dated: _____

ADVANCED FLOW ENGINEERING INC.

By: _____

Its: _____

APPROVED AS TO FORM AND CONTENT:

Dated: _____

RUTAN & TUCKER, LLP

By:

Kimberly A. Nayagam
Attorneys for Defendant
ADVANCED FLOW ENGINEERING, INC.

arising from the Action or the Gross Settlement Amount from the Released Parties except as expressly provided for in this Settlement Agreement.

78. No Reliance on Representations. The Parties have made such investigations of the facts and the law pertaining to the matters described in this Settlement Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any other Party, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Settlement Agreement, or with respect to any such matters. No representations, warranties, or inducements have been made to any Party concerning this Settlement Agreement.

79. No Collateral Attack. This Settlement Agreement will not be subject to collateral attack by any Class Member or any recipient of the Class Notice after the Final Order and Dismissal. Such prohibited collateral attacks shall include but not be limited to claims that the Class Member failed for any reason to receive timely notice of the procedure for disputing the calculation of their Individual Settlement Payment, or for opting out of the Settlement Agreement.

IT IS SO AGREED:

Dated: _____

JAMES HENRIQUEZ

By: _____
Plaintiff James Henriquez

Dated: 11/18/2025

ADVANCED FLOW ENGINEERING INC.

DocuSigned by:
S. Mck Nakan
0B7C037C378B4B7...

By: Shahriar Niakan
Its: Chief Executive Officer

APPROVED AS TO FORM AND CONTENT:

Dated: 11/20/2025

RUTAN & TUCKER, LLP

By: Kimberly A. Nayagam
Kimberly A. Nayagam
Attorneys for Defendant
ADVANCED FLOW ENGINEERING, INC.

1 APPROVED AS TO FORM AND CONTENT, AND AGREE TO BE BOUND BY PARAGRAPH

2 61:

3 Dated: November 20, 2025

THE WHEELER LAW FIRM, APC

4
5 By: 

6 Justin A. Wheeler
7 Attorney for Plaintiff James Henriquez, on
8 behalf of himself and all others similarly
9 situated

EXHIBIT A

CLASS NOTICE

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in the class action lawsuit entitled *James Henriquez, and all others similarly situated v. Advanced Flow Engineering, Inc.*, California Superior Court, County of Riverside, Case No. CVRI2406176 (the “Action”). The Settlement has two components, the settlement of class action claims (the “Class Released Claims”) and the settlement of California Private Attorneys General Act (“PAGA”) claims (the “PAGA Claims”).

The Court has determined that there is sufficient evidence to suggest that the Settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final approval hearing.

The Settlement covers all hourly employees who were employed by Advanced Flow Engineering, Inc. (“Defendant”) at any time in the state of California during the period of November 1, 2020, through September 30, 2025 (the “Class Period”). You are receiving this notice because Defendant’s records show that you worked as an hourly employee for Defendant during the Class Period. The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights with respect to the Class Released Claims.

If you also worked as a n employee who was employed by Defendant during the period of March 17, 2024, through September 30, 2025 (the “PAGA Period”) (collectively, the “Aggrieved Employees”), you may also qualify for a settlement payment as a result of the settlement of the PAGA Claims. If eligible as an Aggrieved Employee, you will still receive your portion of the PAGA settlement regardless of how you respond to this Notice, and the PAGA Claims will still be released by the Settlement.

Your options are further explained in this Notice. To exclude yourself from the class action portion of the Settlement, or object to the Settlement, you must take action by certain deadlines. If you want to participate in the Settlement as proposed, you don’t need to do anything to obtain your share of the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be considered part of the Settlement Class and will receive settlement benefits. You will also give up your rights to pursue a separate legal action against Defendant for the claims released under the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	If you do not wish to participate in the class action portion of the Settlement, you may exclude yourself by submitting a written request to be excluded. However, if you do so, you will not receive any payment under the Settlement for the class claims. If you exclude yourself from the Settlement, you will still receive your settlement payment for the release of the PAGA Claims if you are eligible; you cannot exclude yourself from that portion of the settlement.
OBJECT	To object to the Settlement, you may object orally at the Final Approval Hearing, or you may write to the Settlement Administrator about why you don’t like the Settlement. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following Class: all hourly employees who were employed by Defendant at any time in the state of California during the Class Period. According to Defendant's records, you are a member of the Class (a "Class Member"). Also, according to Defendant's records, you were employed from March 17, 2024, through September 30, 2025, and are therefore a PAGA Aggrieved Employee.

What is this case about?

In the Action, James Henriquez ("Plaintiff") alleges on behalf of himself and the Class (and with respect to the PAGA Claim, on behalf of the State of California the following claims against Defendant: (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 510, 512, 1194, 1197 and Industrial Welfare Orders 1-2001, 4-2001, 7-2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Section 226.7, 512 and Industrial Welfare Orders 1-2001, 4-2001, 7-2001, Section 12; (3) failure to provide recovery periods pursuant to Labor Code Section 226.7, California code of Regulations, Title 8, Section 3395; (4) failure to pay overtime wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Orders 1-2001, 4-2001, 7-2001, Section 3; (5) failure to pay minimum wages pursuant to Labor Code Section 1194, 1197 and Industrial Welfare Orders 1-2001, 4-2001, 7-2001, Section 4; (6) failure to pay timely wages in violation of Labor Code Sections 204 and 210; (7) failure to pay all wages owed and due at termination of employment in violation of Labor Code Sections 201, 202 and 203; (8) failure to provide accurate itemized wage statements in violation of Labor Code Section 226 and Industrial Welfare Orders 1-2001, 4-2001, 7-2001, Section 7; (9) failure to maintain records in violation of Labor Code Sections 226, 1174, and Industrial Welfare Orders 1-2001, 4-2001, 7-2001, Section 7; (10) failure to indemnify for necessary expenditures when working pursuant to Labor Code Section 2802; (11) violation of the California Unfair Competition Law in violation of Business and Professions Code Section 17200; and (12) and violation of the California Private Attorneys' General Act ("PAGA"), Labor Code Sections 2698, 2699 and 2699.5, predicated on the violations of the California Labor Code and IWC Wage Orders 1-2001, 4-2001 and 7-2001, as alleged in the Operative Complaint and the LWDA Notice dated March 12, 2025.

Defendant denies any and all wrongdoing and maintains that it has complied with all laws alleged to have been violated in the First Amended Class Action and PAGA Complaint ("Operative Complaint") filed by Plaintiff as part of this Settlement. Defendant notes that this Settlement was established specifically to avoid the costs of proceeding with litigation and does not constitute an admission of liability by Defendant. The Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses.

This Settlement is a compromise reached after good faith, arm's-length negotiations between Plaintiff and Defendant (the "Parties"), through their attorneys and a mediator. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff and Class Counsel believe this Settlement is in the best interests of the Class. The Court has granted preliminary approval of this Settlement.

Who are the attorneys in this Lawsuit?

Class Counsel

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

Defendant's Counsel

RUTAN & TUCKER, LLP
Edson K. McClellan
Kimberly A. Nayagam
18575 Jamboree Road, 9th Floor
Irvine, CA 92612
Telephone: 714-641-5100

What will I receive under the Settlement?

Subject to final Court approval, Defendant will pay the total sum of \$350,000 (the "Gross Settlement Amount"). It is estimated that, subject to Court approval, after deducting the attorney's fees and costs,

service awards to Plaintiff, payment to the California Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees for the PAGA settlement, and settlement administration costs from Gross Settlement Amount, there will be a Net Settlement Amount of at least \$ _____.

From this Net Settlement Amount, Individual Settlement Payments will be paid to each Class Member who does not opt out of the Settlement Class (“Settlement Class Member”). The Net Settlement Amount shall be divided among all Settlement Class Members based on the ratio of the number of compensable work weeks worked by each Settlement Class Member to the total number of work weeks worked by all Settlement Class Members, calculated based on Defendant’s records.

According to Defendant’s records, during the period of November 1, 2020, through September 30, 2025, you worked _____ compensable work weeks in California, as an hourly employee, and therefore, your settlement payment as a Class Member is estimated to be \$ _____.

According to Defendant’s records, during the period of March 17, 2024, through September 30, 2025, you worked _____ PAGA work weeks in California, as an hourly employee, and therefore, your portion of the settlement of the PAGA claim is estimated to be \$ _____.

Your settlement payments are only estimates, and the recovery will vary. Your actual settlement payments may be higher or lower than estimated. The estimated range of settlement payments to Class Members from the class action portion of the Settlement varies from _____ to _____. Your estimated recovery is _____. The range of settlement payments to Aggrieved Employees from the PAGA portion of the Settlement will range from _____ to _____. Your estimated PAGA Payment is _____.

If you wish to dispute the number of compensable work weeks credited to you, you must submit a written dispute to the Settlement Administrator at _____ by mail, postmarked no later than [Response Deadline], or by e-mail by _____. The dispute must: (1) contain your full name, current address, telephone number, the last four digits of your Social Security number or full employee ID number; (2) contain the case name and case number; (3) contain a clear statement explaining that you wish to dispute the number of compensable work weeks and the basis for your dispute, including evidence sufficient to prove that Defendant’s workweek calculation is incorrect, if any; and (4) and be signed by you. You may also dispute your PAGA work weeks by following the same process you can dispute your compensable work weeks set forth above. You should attach any documentation in support of your dispute.

When and how will I receive payment?

If the Court grants final approval of the Settlement, and only after the Effective Date of the Settlement defined below, the Settlement Administrator will send you a settlement check (unless you exclude yourself from the Settlement as discussed in this letter). The settlement approval process takes time so please be patient.

Any settlement payment checks mailed to you under the Settlement shall remain negotiable for 180 days. If you do not negotiate (e.g., cash or deposit) a settlement check within this time period, you will be unable to receive those funds, but you will remain bound by the terms of the Settlement. After the checks are voided, if the remaining funds from the voided checks amounts to more than \$6,000, then the remaining funds will be distributed to the Participating Class Members who have cashed their checks, after paying an amount not to exceed \$2,000 to the Settlement Administrator for this additional distribution work. If the remaining funds from the voided checks amounts to \$6,000 or less, then the uncashed funds intended for Class Members will be transferred to the California State Controller’s Office as unclaimed property in the name of the Participating Class Member, and uncashed funds intended for Aggrieved Employees will be transferred to the LWDA.

The class action settlement payment issued to you will be allocated as follows: thirty-five percent (35%) as wages, fifty-five percent (55%) as penalties, and ten percent (10%) as interest. The wage portion of the Individual Settlement Payment shall be subject to withholding of applicable local, state, and federal

taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payment. None of the Parties or attorneys make any representations concerning the tax implications of this payment. Settlement Class Members may wish to consult with their own tax advisors concerning the tax consequences of the Settlement. The penalties and interest portion will not be subject to withholdings and a 1099 will be provided to you for these payments.

How will the lawyers be paid and how will other funds under the Settlement be distributed?

Class Counsel will ask the Court to award attorneys' fees not to exceed One-Hundred and Sixteen Thousand and Five Hundred and Fifty Dollars (\$116,550.00) or thirty-three and one-third (33.333) percent of the Gross Settlement Amount, and reimbursement of reasonable litigation costs not to exceed \$18,000. In addition, Class Counsel will ask the Court to authorize Class Representative Service Award payment of up to \$7,000 for his efforts in representing the Class. The cost of administering the Settlement will not exceed \$8,650.00. A payment in the amount of \$16,250 will also be made to the LWDA for its share of PAGA penalties, while \$8,750 will be paid to PAGA Aggrieved Employees. Any of these amounts not awarded by the Court will be included in the estimated net settlement of \$ [REDACTED] and will be distributed to Settlement Class Members.

What claims are being released by the proposed Settlement?

As of the date that the Gross Settlement Amount is fully funded by Defendant, and in exchange for the consideration provided under this Settlement, Settlement Class Members shall fully and finally release and discharge Defendant and each of the Released Parties, from the "Class Released Claims," defined as: any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action that have been asserted against the Released Parties and that arise from the facts, matters, transactions or occurrences alleged in the operative Complaint in the Action, including, without limiting the foregoing, claims for failure to: pay all wages earned for all hours worked at the correct rate including minimum, straight, regular, and overtime wages; pay split shift and reporting time premiums; provide legally required meal periods or premium payment in lieu thereof; provide legally required rest breaks or premium payment in lieu thereof; permit employees to take cooldown recovery periods; timely pay wages during employment; timely pay wages at separation; provide accurate itemized wage statements; maintain adequate and accurate employment records; and reimburse necessary business expenses; and claims for violations of California Business and Professions Code Section 17200. Without limiting the generality of the foregoing, the Class Released Claims include but are not limited to claims arising out of or relating to: Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 2802 and the applicable IWC Orders; the applicable California Code of Regulations, including Title 7 sections 3395 and 3396; California Code of Civil Procedure section 1021.5; California Civil Code sections 1785.31, 1786.50, 3287, and 3288; and claims for restitution and other equitable relief, liquidated damages, or penalties; any other benefit claimed on account of the allegations asserted in the operative Complaint; and violations of all related or corresponding federal laws. This release shall apply to all claims arising at any point during the Class Period.

In addition, Plaintiff, as the representative for the State of California and on behalf of the State of California, will forever completely release and discharge Defendant and each of the Released Parties from the PAGA Claims that arose during the PAGA Period. The State of California will be deemed by operation of the Final Order and Judgment to have agreed not to sue or otherwise make a claim against Defendant and/or any of the Released Parties for the PAGA Claims that arose during the PAGA Period, to the extent permissible by law. Released PAGA Claims (the "PAGA Claims") include any claims for attorneys' fees, costs, or other damages that may be recoverable under the California Private Attorneys General Act (California Labor Code Sections 2698 to 2699.8) that have been asserted against the Released Parties and that arise from the facts, matters, transactions or occurrences alleged in the Operative Complaint and LWDA PAGA Notice. This release shall apply to PAGA claims arising at any point during the PAGA Period.

“Released Parties” collectively means: (i) Defendant; and (ii) Defendant’s current officers, directors, employees and agents only.

“Effective Date” means the later of (i) the 61st day after service of notice of entry of the Final Order and Final Judgment, if no appeal, review, or writ has been filed; or (ii) if an appeal, review, or writ is sought from the Final Order or Final Judgment, the day after the Final Order and Final Judgment are affirmed or the appeal, review, or writ is dismissed or denied, and the Final Order and Final Judgment are no longer subject to further judicial review. The Effective Date is conditioned upon the Court’s having entered a Final Order and Judgment as set forth in this Agreement.

What are my options?

You have several options with respect to the class action portion of this Settlement. You may: (A) remain in the Class and receive payment under the Settlement; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement.

OPTION A. Remain in the Class. If you remain in the Class, you will receive payment and be represented by Class Counsel. If you wish to remain in the Class and be eligible to receive a payment under the Settlement, you do *not* need to take any action. By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

OPTION B. If You Do Not Want To Be Bound By The Settlement. If you do not want to be part of the class action portion of the Settlement, you must mail a Request for Exclusion to the Settlement Administrator at [REDACTED] or e-mail a Request for Exclusion to Phoenix Settlement Administrators by the [Response Deadline]. Your Request for Exclusion must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; and (3) a clear statement you are electing to be excluded from the Settlement; and (4) be signed by you. In order to be timely, your Request for Exclusion must be postmarked, or e-mailed, on or before [REDACTED]. If you do not submit a valid and timely Request for Exclusion, your Request for Exclusion will be rejected, you will be deemed a member of the Settlement Class, and you will be bound by the release of Released Claims as described above. If you submit a valid and timely Request for Exclusion, you will *not* be entitled to any payment as a Class Member from the Net Settlement Amount and you will not release the Class Released Claims. If you are a PAGA Aggrieved Employee, you will still receive a PAGA payment and be subject to the PAGA release outlined above even if you submit a Request for Exclusion. The Request for Exclusion form is attached to this notice for your convenience

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you can appear at the Final Approval Hearing and make an oral objection or make a written objection. If wish to object in writing, you must mail a written statement of objection to ILYM Group, Inc. at 2832 Walnut Avenue, Suite C, Tustin, California 92780, or e-mail the written objection to (INSERT)@ILYMGROUP.com). The written objection should contain the following: (1) your full name, current address, and signature; (2) a clear reference to the Action; and (3) a statement of the specific reasons why the objector believes the Settlement Agreement is unfair or objects to the Settlement Agreement. In order to be timely, the written objection must be postmarked, or e-mailed, on or before [REDACTED]. Class Counsel will provide the Court with your written objection prior to the Final Approval Hearing. You can also hire an attorney at your own expense to represent you in your objection. The Objection Form is attached to this notice for your convenience. Even if you do not object in writing you may still appear and be heard at the Final Approval Hearing.

You cannot object to the Settlement if you request exclusion from the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a final approval hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement and the plan of distribution of the payments described herein, on [REDACTED] 2025 in Department 1 of the Riverside Superior Court, Historic Court House, located at 4050 Main Street, Riverside, California 92501. The final approval hearing may be continued without further notice to Class

Members unless they have filed an objection to the Settlement. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. For more complete information, the pleadings and other records in this litigation may be examined during regular court hours at the Riverside Superior Court Historic Court House, located at 4050 Main Street, Riverside, California 92501. A copy of the Settlement Agreement was filed on October [REDACTED], 2025 and is attached to the **Declaration of Scott Ernest Wheeler In Support of Plaintiff's Motion for Preliminary Approval**. You can also visit the Court's website at: www.riverside.courts.ca.gov for more information, including obtaining a copy of the Amended Settlement Agreement online.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE