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12
13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF KERN**
15

16 **Daniel Alvarado**, individually and on
behalf of all similarly situated individuals,
17 **Timoteo Prado Calderon**, individually
and on behalf of all similarly situated
18 individuals;

19 Plaintiffs,

20 vs.
21

22 **CTOS, LLC**, a Delaware Limited Liability
Company; and **Does 1-10**, inclusive;

23 Defendants.
24

CASE NO. BCV-25-100908

[Assigned to the Hon. Gregory Pulskamp;
Div J]

CLASS ACTION

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

Complaint Filed: March 12, 2025

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1 This Joint Stipulation of Settlement and Release of Class and PAGA Action
2 (“Agreement” or “Settlement Agreement”) is made and entered into by and between
3 Plaintiffs Daniel Alvarado and Timoteo Prado Calderon (collectively, “Plaintiffs” or “Class
4 Representatives”), individually and on behalf of all others similarly situated individuals
5 and CTOS, LLC (“Defendant”). Plaintiffs and Defendant may be referred to herein as the
6 “Parties,” singularly as a “Party,” or by their designated names.

7 This Agreement is subject to the approval of the Court and is made for the sole
8 purpose of attempting to consummate settlement of the Action on a class-wide basis
9 subject to the following terms and conditions.

10 This Settlement Agreement shall be binding on Plaintiffs, the Settlement Class, and
11 the Aggrieved Employees, on the one hand, and Defendant, on the other hand, subject to
12 the terms and conditions hereof and the approval of the Court.

13 **RECITALS**

14 1. Plaintiffs Daniel Alvarado and Timoteo Prado Calderon filed their complaint
15 on March 12, 2025 in the Kern County Superior Court, where it is entitled *Daniel Alvarado*
16 *et al. v. CTOS, LLC et al.*, Case No. BCV-25-100908 (the “Action”). The Action asserted the
17 following class-wide causes of action for: (1) failure to pay minimum wages; (2) failure to
18 pay overtime wages; (3) failure to provide meal periods or premium pay in lieu thereof; (4)
19 failure to provide rest periods or premium pay in lieu thereof; (5) failure to provide and
20 maintain accurate wage statements; (6) failure to pay wages when due; (7) failure to
21 reimburse necessary business expenses; and (8) Unlawful Business Practices, Cal. Bus. &
22 Prof. Code §§ 17200, et seq.

23 2. On May 16, 2025, Plaintiffs filed a First Amended Complaint adding
24 additional causes of action for Private Attorneys General Act of 2004, Cal. Lab. Code §§
25 2698, et seq. (“PAGA”).

26 3. Defendant denies all material allegations set forth in the Action and has
27 asserted numerous affirmative and other defenses in response to the Class, PAGA, and
28 individual claims. Defendant contends it has complied with the California Labor Code, the

1 California Business & Professions Code, the applicable IWC Wage Orders, and all other
2 applicable California and Federal law. Nonetheless, Defendant has concluded that further
3 litigation would be protracted and expensive, and would also divert Defendant's resources
4 away from its core mission. Defendant has therefore concluded that it is desirable that the
5 litigation be resolved upon the terms and conditions set forth in this Stipulation.

6 4. On February 10, 2026, the Parties participated in a full day of mediation with
7 Daniel Turner (the "Mediator"), a well-respected mediator in the field of employment law
8 and wage-and-hour class actions. The matter settled at mediation and the Parties agreed
9 to the principal terms reflected in this Stipulation.

10 5. Class Counsel conducted a significant investigation during the prosecution
11 of the Action. This investigation included, among other things, (a) numerous telephonic
12 conferences with Plaintiffs; (b) inspection and analysis of numerous payroll and policy
13 documents and other information produced by Plaintiffs and Defendant; (c) analysis of
14 the legal positions taken by Defendant; (d) investigation into the viability of class
15 treatment of the claims asserted in the Action; (e) analysis of potential class-wide damages,
16 including information sufficient to understand Defendant's potential defenses to Plaintiffs'
17 claims; (f) research of the applicable law with respect to the claims asserted in the Action
18 and the potential defenses thereto; (g) assembling and analyzing data for calculating
19 damages; and (h) retained the services of an expert to analyze and prepare Defendant's
20 exposure.

21 6. The informal discovery conducted in this matter, as well as discussions
22 between counsel, have been adequate to give the Class Representatives and Class Counsel
23 a sound understanding of the merits of their positions and to evaluate the risks of litigation
24 and the value of the Settlement Class's claims. The discovery and investigation conducted
25 in this Action and the information exchanged by the Parties through informal discovery
26 and settlement discussions are sufficient to reliably assess the merits of the Parties'
27 respective positions and to compromise the issues on a fair and equitable basis.

28 7. The settlement discussions during mediation were conducted at arm's length

1 and the settlement of the Action is the result of an informed and detailed analysis of
2 Defendant's potential liability in relation to the costs and risks associated with continued
3 litigation.

4 8. Plaintiffs and Class Counsel believe that the claims, causes of action,
5 allegations, and contentions asserted in the Action have merit. However, Plaintiffs and
6 Class Counsel recognize and acknowledge the expense and delay of continued lengthy
7 proceedings necessary to prosecute the Action against Defendant through trial and
8 appeals. Class Counsel has taken into account: 1) the uncertain outcome of the litigation;
9 2) the risk of continued litigation in complex actions such as this lawsuit; 3) the difficulties
10 and delays inherent in such litigation; 4) the potential difficulty of obtaining certification
11 of the Action; and 5) the potential risk of trying the claims of the class. Class Counsel is
12 mindful of the potential problems of proof under, and possible defenses to, the claims
13 alleged in the Action and litigation of those claims on a class-wide basis.

14 9. Class Counsel believes that the Settlement set forth in this Settlement
15 Agreement confers substantial benefits upon Plaintiffs and the Class Members, and that
16 an independent review of this Settlement Agreement by the Court in the approval process
17 will confirm this conclusion. Based on their own independent investigation and evaluation,
18 Class Counsel has determined that the Settlement set forth in the Stipulation is in the best
19 interests of Plaintiffs and the Class Members.

20 10. Based on the data and documents produced during informal discovery and
21 in response to Plaintiffs' Labor Code sections 226 and 1198.5 records requests, Class
22 Counsels' own independent investigation and evaluation, Class Counsel believes that
23 Plaintiffs' settlement with Defendant for the consideration provided and on the terms set
24 forth in this Settlement Agreement is fair, reasonable, and adequate, and is in the best
25 interest of the Class Members in light of all known facts and circumstances, including the
26 risk of delay and uncertainty associated with litigation, various defenses asserted by
27 Defendant, the contested legal and factual issues involved, and potential appellate issues.

28 11. This Settlement Agreement is made and entered into by and between

1 Plaintiffs individually and on behalf of all other allegedly similarly situated Aggrieved
2 Employees and Settlement Class Members on the one hand, and Defendant on the other
3 hand. This Settlement Agreement is subject to the terms and conditions hereof, as well as
4 the Court's approval. The Parties expressly acknowledge that this Agreement is entered
5 into solely for the purpose of compromising disputed claims and that nothing herein is an
6 admission of any liability or wrongdoing by Defendant. If, for any reason the Settlement
7 Agreement is not approved, it will be of no force or effect, and the Parties shall be returned
8 to their original respective positions.

9 12. The Parties agree to abide by the terms of the Settlement Agreement in good
10 faith and to support the Settlement Agreement fully and to use their best efforts to defend
11 this Settlement Agreement from any legal challenge, whether by appeal or collateral attack.

12 DEFINITIONS

13 The following definitions are applicable to this Settlement Agreement. Definitions
14 contained elsewhere in this Settlement Agreement will also be effective:

15 13. "**Action**" means *Daniel Alvarado v. CTOS, LLC et al.* Case No. BCV-25-
16 100908, filed in Kern County Superior Court on March 12, 2025.

17 14. "**Aggrieved Employees**" means those Class Members who worked for
18 Defendant within the **PAGA Period**.

19 15. "**Class Counsels' Fees and Costs**" means attorneys' fees agreed upon by
20 the Parties and approved by the Court for Class Counsels' litigation and resolution of this
21 Action. Class Counsels' Fees and Costs shall include all costs incurred and to be incurred
22 by Class Counsel in the Action, including, but not limited to, costs associated with
23 documenting the Settlement, securing the Court's approval of the Settlement, responding
24 to any objections to the settlement and appeals arising therefrom, administering the
25 Settlement, and obtaining entry of a Judgment terminating this Action, and expenses for
26 any experts. Class Counsel will request attorneys' fees not in excess of one-third of the
27 Maximum Settlement Amount (i.e., up to One Hundred Seventy Three Thousand Three
28

1 Hundred Thirty Three Dollars and Thirty Three Cents Only (\$173,333.33)).¹ Class
2 Counsels' Fees and Costs will also mean and include the additional reimbursement of Class
3 Counsels' actual reasonable costs incurred in connection with Class Counsels' litigation
4 and settlement of the Action, up to Thirty Thousand Dollars and Zero Cents (\$30,000.00),
5 subject to the Court's approval. Defendant agrees not to oppose Class Counsels' request
6 for fees and reimbursement of costs as set forth above.

7 16. **"Class Counsel"** means Elliot J. Siegel of King & Siegel LLP, and Navid
8 Barahmand of Barahmand Law Group.

9 17. **"Class List"** means a complete list of all Class Members that Defendant will
10 diligently and in good faith compile from their records and provide to the Settlement
11 Administrator within five (5) calendar days after Preliminary Approval of this Settlement.
12 The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will
13 include, to the extent in the possession of Defendant or its agents, Class Members' names;
14 last-known addresses; last-known telephone numbers; last-known email address; social
15 security numbers; start dates of employment; end dates of employment; number of weeks
16 worked by each Class Member during the Class Period; the number of pay periods worked
17 by each Aggrieved Employee during the PAGA Period.

18 18. **"Class Member(s)"** or **"Settlement Class"** or the **"Class"** means the
19 following: *"All persons who worked at least one shift as a non-exempt employee of*
20 *Defendant in the State of California from the period of March 12, 2021 through April 14,*
21 *2026."*

22 19. **"Class Size Representation"**: Defendant represent that there are 140
23 Class Members during the period from March 12, 2021 through mediation and that these
24 Class Members worked a combined 15,475 workweeks during that same period. This
25 representation is a material term for Plaintiffs entering into this Stipulation.
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27 ¹ For the avoidance of doubt, if the Escalator Clause is triggered and the Gross Settlement
28 Amount increases, Class Counsel shall have the right to seek attorney's fees up to one-
third of the increased Gross Settlement Amount

1 20. “**Class Period**” is the period from March 12, 2021 to April 14, 2026.

2 21. “**Class Representatives**” means Plaintiffs Daniel Alvarado and Timoteo
3 Prado Calderon who will seek to be appointed as the Representatives for the Settlement
4 Class.

5 22. “**Class Representatives Enhancement Payment**” means the amounts
6 to be paid to Plaintiffs in recognition of their efforts and work in prosecuting the Action on
7 behalf of Class Members and negotiating the Settlement. Defendant agrees not to dispute
8 that the Class Representatives will be paid, subject to Court approval, up to \$10,000 each
9 from the Maximum Settlement Amount for their services on behalf of the class, subject to
10 the Court granting Final Approval of this Settlement Agreement. Should the Court reduce
11 the Class Representatives Enhancement Payment, any such reduction shall revert to the
12 Net Settlement distributed to Participating Class Members.

13 23. “**Court**” means the Superior Court in the County of Kern.

14 24. “**Defendant(s)**” means Defendant CTOS, LLC.

15 25. “**Effective Date**” means the date on which the settlement embodied in this
16 Settlement Agreement shall become effective and is the date after all of the following
17 events have occurred: (i) approval of the Settlement is granted by the Court overseeing the
18 Action, or other court assuming jurisdiction of this matter, and (ii) the Court’s Judgment
19 approving the Settlement becomes Final. “Final” shall mean the latest of: (i) if there is an
20 appeal of the Court’s Judgment, the date on which the Judgment is affirmed on appeal, the
21 date of dismissal of such appeal, or the expiration of the time to file a petition for review
22 to the California Supreme Court and/or petition for writ of certiorari to the U.S. Supreme
23 Court, or (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for
24 writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iii) if
25 no appeal is filed, the expiration date of the time for filing or noticing any appeal of the
26 Judgment; i.e., 60 calendar days after entry.

27 26. “**Individual Class Payment**” means each Participating Class Member’s
28 share of the Net Settlement Amount, to be distributed to the Class Members who do not

1 submit a valid Request for Exclusion, to be paid without the need to submit a claim.

2 27. **“Individual PAGA Payment”** means each Aggrieved Employee’s pro rata
3 share of the 35% of the Labor and Workforce Development Agency Payment allocated to
4 the Aggrieved Employees. Aggrieved Employees will receive their Individual PAGA
5 Payment regardless of whether they submit a valid Request for Exclusion.

6 28. **“Labor and Workforce Development Agency Payment”** means the
7 amount that the Parties have agreed that Defendant will pay in connection with Plaintiffs’
8 Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*
9 (“PAGA”)) cause of action. The Parties have agreed that Fifty Thousand Dollars and Zero
10 Cents (\$50,000.00) of the Maximum Settlement Amount will be allocated to the
11 resolution of the Aggrieved Employees’ claims arising under PAGA (“PAGA Settlement
12 Amount”). Pursuant to PAGA, Sixty-Five Percent (65%), or Thirty Two Thousand Five
13 Hundred Dollars and Zero Cents (\$32,500.00), of the PAGA Settlement Amount will be
14 paid to the California Labor and Workforce Development Agency (“LWDA”), and Thirty-
15 Five Percent (35%), or Seventeen Thousand Five Hundred Dollars and Zero Cents
16 (\$17,500.00), of the PAGA Settlement Amount will be paid to the Class Members, as
17 allegedly Aggrieved Employees, as part of the Net Settlement Amount.

18 29. **“Maximum Settlement Amount”** means the maximum settlement
19 amount of Five Hundred Twenty Thousand Dollars and Zero Cents (\$520,000.00) to be
20 paid by Defendant in full satisfaction of all claims arising from the Action. The Maximum
21 Settlement Amount shall include all Individual Class Payments to Participating Class
22 Members, Individual PAGA Payments, the Class Representatives Enhancement Payment,
23 Settlement Administration Costs to the Settlement Administrator, the Labor and
24 Workforce Development Agency Payment, and the Class Counsels’ Fees and Costs. The
25 MSA shall not include employer-side payroll taxes, which Defendant agrees that it is
26 responsible for and are to be paid in addition to the Maximum Settlement Amount. The
27 Maximum Settlement Amount is non-reversionary.

28 30. **“Net Settlement Amount”** means the portion of the Maximum Settlement

Amount remaining after deduction of the approved Class Representatives Enhancement Payment, Settlement Administration Costs, Labor and Workforce Development Agency Payment, and Class Counsels' Fees and Costs. The Net Settlement Amount will be distributed to Participating Class Members and Individual PAGA Payment.

31. **"Notice of Objection"** means a Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, telephone number, and the last four digits of the objector's social security number, (b) the dates the objector was employed by Defendant in California, (c) a written statement of all grounds for the objection accompanied by any legal support for such objection, and (d) copies of any papers, briefs, or other documents upon which the objection is based.

32. **"Notice Packet"** or **"Notice"** means the Notice of Class Action Settlement and Challenge Form, substantially in the form attached as **Exhibit A**.

33. **"PAGA Period"** or **"PAGA Release Period"** shall run from March 12, 2023 to April 14, 2026.

34. **"Participating Class Members"** means all Class Members who do not submit valid and timely Requests for Exclusion.

35. **"Parties"** means Plaintiffs and Defendant, collectively.

36. **"Plaintiffs"** or **"Named Plaintiffs"** or **"Class Representatives"** means Daniel Alvarado and Timoteo Prado Calderon.

37. **"Preliminary Approval"** means the Court order granting preliminary approval of the Settlement in an order in substantially the same form as the order attached as **Exhibit B**.

38. **"Final Approval"** means the Court granting final approval of the Settlement and entering final judgment in an order in substantially the same form as the order attached as **Exhibit C**.

39. **"Released Claims"** means all claims that were alleged in, or could reasonably have been alleged based on the facts set forth in, the First Amended Class

1 Complaint. The Released Claims shall be released through the Release Period. The Release
2 will only take effect upon the latter of the Effective Date and full funding of the MSA by
3 Defendant.

4 40. **"Release Period"** is the period from March 12, 2021 to April 14, 2026.

5 41. **"Released PAGA Claims"** means the release of claims by Aggrieved
6 Employees for civil penalties under PAGA asserted in the LWDA letter, or that could have
7 reasonably been alleged based on the factual allegations contained in the PAGA Notice.
8 The Released PAGA Claims shall be released through the PAGA Release Period. No
9 Aggrieved Employee may opt out of the PAGA Release and will be bound by this Release
10 regardless of whether they cash their Individual PAGA Payment. The Release will only take
11 effect upon the latter of the Effective Date and full funding of the MSA by Defendant.

12 42. **"Released Parties"** shall mean Defendant CTOS, LLC, and its current and
13 former parents, subsidiaries, affiliates, shareholders, members, agents, predecessors,
14 successors and assigns.

15 43. **"Request for Exclusion"** means a timely letter submitted by a Class
16 Member indicating a request to be excluded from the Settlement. The Request for
17 Exclusion shall include the Class Members' name and information needed to be properly
18 identified and indicate the desire to opt out of the settlement. Such information could
19 include the name, address, telephone number, and the last four digits of the Social Security
20 Number of the Class Member requesting exclusion. It must be returned by first class mail
21 or equivalent to the Settlement Administrator at the specified address and be postmarked
22 on or before the Response Deadline. The date of the postmark on the return mailing
23 envelope will be the exclusive means to determine whether a Request for Exclusion has
24 been timely submitted. A Class Member who does not request exclusion from the
25 Settlement will be deemed a Participating Class Member and will be bound by all terms of
26 the Settlement, if the Settlement is granted Final Approval by the Court.

27 44. **"Response Deadline"** means the deadline by which Class Members must
28 postmark to the Settlement Administrator valid Challenge Forms, Requests for Exclusion,

1 or file and serve objections to the Settlement. The Response Deadline will be 30 calendar
2 days from the initial mailing of the Notice Packet by the Settlement Administrator, unless
3 that day falls on a Sunday or federal holiday, in which case the Response Deadline will be
4 extended to the next day on which the U.S. Postal Service is open. The Response Deadline
5 for Objections or Requests for Exclusion will be extended fifteen (15) calendar days for any
6 Class Member who is re-mailed a Notice Packet by the Settlement Administrator, unless
7 the 15th day falls on a Sunday or federal holiday, in which case the Response Deadline will
8 be extended to the next day on which the U.S. Postal Service is open. The Response
9 Deadline may also be extended by agreement between Class Counsel and Defendant or by
10 Order of the Court. Under no circumstances, however, will the Settlement Administrator
11 have the authority to extend the deadline for Class Members to submit a Request for
12 Exclusion, or objection to the Settlement other than as provided herein.

13 45. “**Settlement**” or “**Stipulation**” means the Parties’ agreement to resolve the
14 Action on terms and conditions as set forth in this Settlement Agreement.

15 46. “**Settlement Administrator**” means a third-party class action settlement
16 claims administrator selected by the Parties and approved by the Court for purposes of
17 administering this Settlement. The Parties each represent that they will not select a
18 Settlement Administrator in which either Party has any financial interest or other
19 relationship that could create a conflict of interest.

20 47. “**Settlement Administration Costs**” means the costs payable from the
21 Maximum Settlement Amount to the Settlement Administrator for administering this
22 Settlement, including, but not limited to, printing, distributing, and tracking documents
23 for this Settlement, calculating estimated amounts per Class Member, tax reporting,
24 distributing the appropriate settlement amounts, and providing necessary reports and
25 declarations, and other duties and responsibilities set forth herein to process this
26 Settlement, and as requested by the Parties. The Settlement Administration Costs will be
27 paid from the Maximum Settlement Amount and shall not exceed \$25,000.00.

28 48. “**Workweeks**” means the number of weeks worked by each Class Member

1 as a non-exempt employee during the Class Period. Workweeks are determined by
 2 calculating the number of days each Class Member worked during the Class Period and
 3 dividing by seven (7). Partial workweeks will not be counted, meaning incomplete
 4 workweeks will be rounded down; however, a Class Member who worked only one day
 5 during the Class Period will be credited with having worked one Workweek for purposes
 6 of the Settlement.

7 **CLASS CERTIFICATION**

8 49. Solely for purposes of settling the Action, the Parties stipulate and agree that
 9 the requisites for establishing class certification with respect to the Settlement Class have
 10 been met and are met. If the Settlement is not approved by the Court, Defendant retains
 11 all rights and opportunities to contest class certification on all issues in the Action. More
 12 specifically, the Parties stipulate and agree for purposes of this Settlement only that:

13 a. The Settlement Class is ascertainable and so numerous as to make it
 14 impracticable to join all Class Members;

15 b. There are common questions of law and fact including, but not limited to, the
 16 following:

- 17 i. Whether Defendants had a common policy and/or practice of depriving
 18 Plaintiffs and Class Members of required minimum wages;
- 19 ii. Whether Defendants unlawfully and/or willfully failed to compensate
 20 Plaintiffs and Class Members required minimum wages;
- 21 iii. Whether Defendants had a common policy and/or practice of depriving
 22 Plaintiffs and Class Members of required overtime wages;
- 23 iv. Whether Defendants unlawfully and/or willfully failed to compensate
 24 Plaintiffs and Class Members required overtime wages;
- 25 v. Whether Defendants had a common policy and/or practice of depriving
 26 Plaintiffs and Class Members of compliant, off-duty meal and/or rest
 27 periods;
- 28 vi. Whether Defendants unlawfully and/or willfully deprived Plaintiffs and

- 1 Class Members of compliant, off-duty meal and/or rest periods;
- 2 vii. Whether Defendants have a common policy and/or practice of failing
- 3 to maintain accurate payroll records in the State of California;
- 4 viii. Whether Defendants unlawfully and/or willfully failed to maintain
- 5 accurate payroll records in the State of California;
- 6 ix. Whether Defendants have a common policy and/or practice of failing
- 7 to provide accurate wage statements reflecting hours worked and wages
- 8 earned to Plaintiffs and Class Members;
- 9 x. Whether Defendants unlawfully and/or willfully failed to provide
- 10 accurate wage statements reflecting hours worked and wages earned to
- 11 Plaintiffs and Class Members;
- 12 xi. Whether Defendants have a common policy and/or practice of failing
- 13 to reimburse Plaintiffs and Class Members for reasonable business
- 14 expenses;
- 15 xii. Whether Defendants unlawfully and/or willfully failed to reimburse
- 16 Plaintiffs and Class Members for reasonable business expenses;
- 17 xiii. Whether Defendants have a policy and/or practice of failing to pay
- 18 Plaintiffs and Class Members final wages owed upon termination;
- 19 xiv. Whether Defendants unlawfully and/or willfully failed to promptly pay
- 20 compensation due to Plaintiffs and Class Members upon termination of
- 21 employment in violation of Labor Code §§ 201, 202, and 203;
- 22 xv. Whether Plaintiffs and Class Members sustained damages as a result of
- 23 any of the aforementioned violations, and, if so, the proper measure of
- 24 those damages, including interest, penalties, costs, attorneys' fees, and
- 25 equitable relief; and
- 26 xvi. Whether Defendants violated the Unfair Competition Law, Cal. Bus. &
- 27 Prof. Code § 17200, et seq., by violating the above provisions of law.
- 28 c. That the Class Representatives' claims are typical of the claims of the

members of the Settlement Class.

d. That the Class Representatives and Class Counsel will fairly and adequately protect the interests of the Settlement Class.

e. That the prosecution of separate actions by individual members of the Settlement Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct.

f. That questions of law and fact common to the members of the Settlement Class predominate over any questions affecting any individual member in such Class, and that a class action is superior to other available means for the fair and efficient adjudication of the controversy.

g. The Parties agree that this stipulation regarding class certification is for the sole purpose of facilitating settlement approval. Should the Court ultimately deny settlement approval, the Parties agree that Defendant maintains and has the right to contend that class certification, for all the issues enumerated herein, is improper based upon all defenses available to Defendant prior to execution of this Stipulation.

TERMS OF AGREEMENT

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

50. Funding of the Maximum Settlement Amount. Within five (5) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement, including the amount of the employer contribution for payroll taxes to be paid by Defendant. Within thirty (30) days of receiving the final accounting of funds by the Settlement Administrator, Defendant will make the required deposit of the Maximum Settlement Amount in the amount of \$520,000.00 ("Maximum Settlement Amount").²

² This payment shall be deposited into a Qualified Settlement Fund to be established by the Settlement Administrator to be held in trust pending final approval of this Settlement. Should final approval of this settlement not be granted for any reason, Defendant shall be entitled to return of this deposit within 30 days of such event.

1 51. Within five (5) calendar days of the funding of the Maximum Settlement
2 Amount, the Settlement Administrator will issue payments to: (a) Class Representatives;
3 (b) Class Counsel; (c) the Participating Class Members; (d) the Labor and Workforce
4 Development Agency; and (e) the Settlement Administrator.

5 52. Class Counsels' Fees and Costs. Defendant agrees not to oppose or impede
6 any application or motion by Class Counsel for Class Counsels' Fees of up to one-third of
7 the Maximum Settlement Amount, or \$173,333.33, plus the reimbursement of actual
8 reasonable costs and expenses incurred in connection with Class Counsels' litigation and
9 settlement of the Action, up to Thirty Thousand Dollars and Zero Cents (\$30,000), both
10 of which will be paid from the Maximum Settlement Amount³. This clause is not a material
11 provision of the Settlement; in other words, if the Court reduces the amount requested and
12 awarded by this section, it does provide a basis to abrogate, rescind, or withdraw from the
13 Settlement.

14 53. Class Representatives Enhancement Payment. In recognition of their efforts
15 and work in prosecuting the Action on behalf of Class Members and the Aggrieved
16 Employees and in negotiating the Settlement, Defendant agrees not to oppose or impede
17 any application or motion for Class Representatives Enhancement Payment to the Named
18 Plaintiffs of up to a total of \$10,000 each, subject to the Court's approval. The Class
19 Representatives Enhancement Payment, which will be paid from the Maximum Settlement
20 Amount, is in addition to the payment to which they are entitled to as Settlement Class
21 Members or are entitled to as part of Plaintiffs' Individual Class Payment. This clause is
22 not a material provision of the Settlement; in other words, if the Court reduces the amount
23 requested and awarded by this section, it does provide a basis to abrogate, rescind, or
24 withdraw from the Settlement.

25 54. Settlement Administration Costs. The Settlement Administrator will be paid
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27 ³ For the avoidance of doubt, if the Escalator Clause is triggered and the Gross Settlement
28 Amount increases, Class Counsel shall have the right to seek attorney's fees up to one-
third of the increased Gross Settlement Amount.

1 for the reasonable costs of administration of the Settlement and distribution of payments
2 from the Maximum Settlement Amount, which is capped at no more than \$25,000.00.
3 These costs, which will be paid from the Maximum Settlement Amount, will include, for
4 instance, costs incurred for the required tax reporting on the Individual Class Payments,
5 the issuing of W-2 and 1099 IRS Forms, distributing the Notice Packet, calculating Class
6 Members' workweeks, and calculating and distributing the Maximum Settlement Amount
7 and Class Counsels' Fees and Costs, and providing necessary reports and declarations.

8 55. Labor and Workforce Development Agency Payment. Subject to Court
9 approval, the Parties agree that the amount of Fifty Thousand Dollars and Zero Cents
10 (\$50,000.00) of the Maximum Settlement Amount will be allocated to the resolution of
11 the Aggrieved Employees' claims arising under PAGA ("PAGA Settlement Amount").
12 Pursuant to PAGA, Sixty-Five Percent (65%), or Thirty-Two Thousand Five Hundred
13 Dollars and Zero Cents (\$32,500.00), of the PAGA Settlement Amount will be paid to the
14 California Labor and Workforce Development Agency ("LWDA"), and Thirty-Five Percent
15 (35%), or Seventeen Thousand Five Hundred Dollars and Zero Cents (\$17,500.00), will be
16 distributed to allegedly Aggrieved Employees. Class Counsel shall be responsible for giving
17 any required notice of this Settlement to the LWDA. This clause is not a material provision
18 of the Settlement; in other words, if the Court reduces the amount requested and awarded
19 by this section, it does provide a basis to abrogate, rescind, or withdraw from the
20 Settlement.

21 56. Settlement Administration Cost Decreases. Any portion of the estimated or
22 designated Settlement Administration Costs which are not required to fulfill the total
23 Settlement Administration Costs will become part of the Net Settlement Amount.

24 57. Individual Class Payment and Individual PAGA Payment Calculations.
25 Individual Class Payments will be calculated and apportioned from the Net Settlement
26 Amount based on the Workweeks a Participating Class Member worked during the Class
27 Period. Individual PAGA Payments will be separately calculated and apportioned from the
28 portion of the PAGA amount intended for Aggrieved Employees. Specific calculations of

1 Individual Class Payments and Individual PAGA Payments will be made as follows:

2 a. The Settlement Administrator will calculate the number of
3 Workweeks per Participating Class Member during the Class Period based on
4 records in Defendant's possession, custody, or control.⁴ Workweeks are determined
5 by identifying each week an employee actually worked based on Defendant's
6 timekeeping and/or payroll data. A Class Member who worked only one day during
7 the Class Period will be credited with having worked one Workweek for purposes of
8 the Settlement. Partial workweeks will not be counted, meaning incomplete
9 workweeks will be rounded down.

10 b. The Settlement Administrator will calculate the total Workweeks for
11 all Settlement Class Members by adding the number of Workweeks worked by each
12 Settlement Class Member during the Class Period.

13 c. The respective Workweeks for each Settlement Class Member will be
14 divided by the total Workweeks for each Settlement Class Member, resulting in the
15 Payment Ratio for each Settlement Class Member.

16 d. Each Settlement Class Member's Payment Ratio will then be
17 multiplied by the Net Settlement Amount to calculate each Settlement Class
18 Member's estimated Individual Class Payments.

19 e. Using the Class Data, the Settlement Administrator will calculate the
20 total number of pay periods in the PAGA Period and will divide each Aggrieved
21 Employees' individual number of eligible pay periods in the PAGA Period to
22 determine their pro rata portion of the portion of the PAGA payment allocated to
23 Aggrieved Employees. Partial pay periods will not be counted, meaning incomplete
24 pay periods will be rounded down; however, an Aggrieved Employee who worked
25

26 ⁴ Defendant's Workweek data will be presumed to be correct unless a particular Class
27 Member proves otherwise to the Settlement Administrator by credible written evidence.
28 All Workweek disputes will be resolved and decided by the Settlement Administrator in
consultation with Class Counsel and counsel for Defendant. The Settlement
Administrator's decision on all Workweek disputes will be final and non-appealable.

1 only one day during the PAGA Period will be credited with having worked one pay
2 period for purposes of the Settlement.

3 58. Limited Confidentiality. The Parties agree not to issue press releases,
4 communicate with, or respond to, any media or publication entities concerning the
5 Settlement, including the fact of the Settlement, its terms or contents, and the negotiations
6 underlying the Settlement prior to final approval and Entry of Judgment, except as
7 required by law or as shall be contractually required to effectuate the terms of the
8 Settlement as set forth herein. Nothing stated herein shall prohibit Class Counsel from
9 discussing the Settlement, the fact of Settlement, and its terms and conditions: (i) with
10 Class Members and/or (ii) in court filings, including in their respective firm resumes,
11 and/or (iii) in all necessary motions and supporting memoranda related to preliminary
12 and final approval of the Settlement or for other class action settlements. This provision
13 also does not limit Class Counsel (i) from complying with ethical obligations; or (ii) from
14 posting a neutral description of publicly available facts regarding the Settlement, provided
15 that such posting does not expressly identify Defendant by name.

16 59. Class Member Communications. Defendant will instruct its officers,
17 directors, and managers that, should they be contacted by Class Members or persons who
18 believe they may be Class Members in relation to this Agreement, such officers, directors,
19 and exempt managers should make no comment except those necessary to direct the
20 employees to the Settlement Administrator and the Class Notice, or Class Counsel, and to
21 provide such Class Members with contact information for the Settlement Administrator
22 and Class Counsel. Defendant agrees not to discourage or prevent Class Members from
23 exercising any of their rights or obligations pursuant to this Agreement. At no time will
24 any of the Parties or their counsel take any action to encourage, support, require, or induce
25 Class Members to object to the Settlement Agreement, opt-out from the Settlement, or
26 appeal from the Order and Judgment.

27 60. Settlement Awards Do Not Trigger Additional Benefits. All Individual Class
28 Payments to Participating Class Members shall be deemed to be paid to such Participating

1 Class Members solely in the year in which such payments are received by the Participating
2 Class Members. It is expressly understood and agreed that the receipt of such Individual
3 Class Payments will not entitle any Participating Class Member to additional
4 compensation or benefits under any company bonus, commission, or other compensation
5 or benefit plan or agreement in place during the period covered by the Settlement, nor will
6 it entitle any Participating Class Member to any increased retirement, 401K benefits or
7 matching benefits, or deferred compensation benefits. It is the intent of the Parties to this
8 Settlement that the Individual Class Payments provided for in this Settlement are the sole
9 payments to be made by Defendant to the Participating Class Members, and that the
10 Participating Class Members are not entitled to any new or additional compensation or
11 benefits as a result of having received the Individual Settlement Payments
12 (notwithstanding any contrary language or agreement in any benefit or compensation plan
13 document that might have been in effect during the period covered by this Settlement).

14 61. Settlement Administration Process. The Parties agree to cooperate in the
15 administration of the Settlement and to make all reasonable efforts to control and
16 minimize the costs and expenses incurred in administration of the Settlement.

17 62. Delivery of the Class List. Within fourteen (14) calendar days of receipt of an
18 Order from the Court granting Preliminary Approval, Defendant will provide the Class List
19 to the Settlement Administrator.

20 63. Notice by First-Class U.S. Mail. Within five (5) calendar days following
21 receipt of the Class List, the Settlement Administrator will mail a Notice Packet,
22 substantially in the form attached hereto as **Exhibit A**, to all Class Members via regular
23 First-Class U.S. Mail, using the most current, known mailing addresses identified in the
24 Class List. Each Notice Packet will provide: (a) information regarding the nature of the
25 Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class
26 definition; (d) each Class Member's estimated Individual Class Payment and the formula
27 for calculating Individual Class Payments; (e) the dates which comprise the Class Period;
28 (f) instructions on how to submit valid Requests for Exclusion or objections; (g) the

1 deadlines by which the Class Member must fax or postmark Requests for Exclusion or file
2 and serve objections to the Settlement; (h) the claims to be released, as set forth herein;
3 and (i) the date for the Final Approval Hearing. The Settlement Administrator will also
4 create a website that lists key deadlines and has links to the notice, challenge form (if any),
5 preliminary approval order, motions for preliminary and final approval and for attorneys'
6 fees, and any other important documents in the case.

7 64. Confirmation of Contact Information in the Class List. Prior to mailing, the
8 Settlement Administrator will perform a search based on the National Change of Address
9 Database for information to update and correct for any known or identifiable address
10 changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable
11 on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail
12 to the forwarding address affixed thereto and the Settlement Administrator will indicate
13 the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the
14 Settlement Administrator will promptly attempt to determine the correct address using a
15 skip-trace, or other search using the name, address and/or Social Security number of the
16 Class Member involved and will then perform a single re-mailing. Those Class Members
17 who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have
18 between the later of: (a) an additional fifteen (15) calendar days; or (b) the Response
19 Deadline to fax or postmark a Request for Exclusion, or file and serve an objection to the
20 Settlement.

21 65. The Settlement Administrator shall exercise its best judgment to determine
22 the current mailing address for each Class Member. The address identified by the
23 Settlement Administrator as the current mailing address shall be presumed to be the best
24 mailing address for each Class Member.

25 66. Disputed Information on Notice Packets. Class Members and Aggrieved
26 Employees will have an opportunity to dispute the information provided in their Notice
27 Packets. To the extent Class Members/Aggrieved Employees dispute the number of weeks
28 he/she worked during the Class Period or PAGA Period, or the amount of their Individual

1 Class Payment or Individual PAGA Payment, Class Members may produce evidence to the
2 Settlement Administrator showing that such information is inaccurate. Any disputes,
3 along with supporting documentation, must be postmarked on or before the Response
4 Deadline. Absent evidence rebutting Defendant's records, Defendant's records will be
5 presumed determinative. However, if a Class Member or Aggrieved Employee produces
6 evidence to the contrary, the Settlement Administrator will evaluate the evidence
7 submitted by the Class Member/Aggrieved Employee in consultation with Class Counsel
8 and counsel for Defendant and will make the final decision as to the Individual Class
9 Payment/Individual PAGA Payment to which the Class Member/Aggrieved Employee may
10 be entitled with input from Class and Defense Counsel. This determination shall be
11 binding on the Class Member and Aggrieved Employee.

12 67. Request for Exclusion Procedures. Any Class Member wishing to opt-out
13 from the Settlement Agreement must sign and postmark a written Request for Exclusion
14 to the Settlement Administrator within the Response Deadline. The date of the postmark
15 on the return mailing envelope will be the exclusive means to determine whether a Request
16 for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to
17 the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's
18 Counsel the Requests for Exclusion that were timely submitted. Any Class Member who
19 submits a Request for Exclusion shall be prohibited from objecting to the Settlement
20 Agreement.

21 68. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
22 Member who does not affirmatively opt-out of the Settlement Agreement by submitting a
23 timely and valid Request for Exclusion will be bound by all of the terms of the Settlement
24 Agreement, including those pertaining to the Released Claims, as well as any Judgment
25 that may be entered by the Court if it grants Final Approval to the Settlement.

26 69. Objection Procedures. To object to the Settlement Agreement, a Class
27 Member must file a valid Notice of Objection with the Court or the Administrator on or
28 before the Response Deadline. The Notice of Objection shall be signed by the Class

1 Member and contain all information required by this Settlement Agreement. Class
2 Members may also raise objections orally at the Final Fairness and Approval hearing,
3 whether or not they previously submitted a valid Notice of Objection. At no time will any
4 of the Parties or their counsel take any action to encourage, support, or induce Class
5 Members to object to the Settlement Agreement, opt-out from the Settlement, or appeal
6 from the Order and Judgment. Class Counsel will not represent any Class Members with
7 respect to any such objections to this Settlement.

8 70. Certification Reports Regarding Individual Class Payment Calculations. The
9 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly
10 report which certifies: (a) the number of Class Members who have submitted valid
11 Requests for Exclusion; and (b) whether any Class Member has submitted a challenge to
12 any information contained in their Notice Packet. Additionally, the Settlement
13 Administrator will provide to counsel for both Parties any updated reports regarding the
14 administration of the Settlement Agreement as needed or requested. No later than 30 days
15 prior to the deadline for Class Counsel to file its motion in support of the Final Approval
16 and Fairness Hearing, the Settlement Administrator will compile and deliver to Class
17 Counsel and Defense Counsel a declaration with summary information of the Notice
18 process, including but not limited to: (a) the total amount of final Individual Class
19 Payments of each Settlement Class Member; (b) the number of Settlement Class Members
20 to receive such payments; (c) the final number of requests for exclusion/opt-outs requests
21 and objections; (d) the Settlement Administrator's qualifications for administration; and
22 (e) an explanation of the steps taken to implement the Notice process as set forth in this
23 Agreement. The Settlement Administrator will also provide a copy of each opt-out request
24 and objection, authenticate those documents, and provide all necessary details as
25 requested by Counsel regarding the timing and handling of any opt-out requests and
26 objections.

27 71. Uncashed Settlement Checks. Any checks issued by the Settlement
28 Administrator to Participating Class Members will be negotiable for 180 calendar days

1 from the date the check was issued (the "Void Date"). For any Class Member whose
2 Individual Class Payment check or Individual PAGA Payment check is uncashed and
3 cancelled after the Void Date, the Administrator shall transmit the funds to the California
4 State Unclaimed Wages Fund in the name of the Class Member or Aggrieved Employee.

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

8 73. Treatment of Individual Class Payments and Individual PAGA Payments.
9 Individual Class Payments will be allocated as follows: of each Individual Class Payment,
10 20% will be allocated as alleged unpaid wages and 80% will be allocated as alleged unpaid
11 civil penalties (1099-MISC). The percentage of each Individual Class Payment allocated as
12 wages will be reported on an IRS Form W-2 by the Settlement Administrator. The
13 remaining percentage of each payment shall be allocated as interest, penalties, and
14 reimbursement, and will be reported on an IRS Form-1099 by the Settlement
15 Administrator. All Individual PAGA Payments will be allocated as alleged penalties and
16 will be reported on an IRS Form-1099 by the Settlement Administrator.

17 74. Administration of Taxes by the Settlement Administrator. The Settlement
18 Administrator will be responsible for issuing to Plaintiffs, Participating Class Members,
19 Aggrieved Employees, and Class Counsel any W-2, 1099, or other tax forms as may be
20 required by law for all amounts paid pursuant to this Agreement.

21 75. Tax Liability. The Parties acknowledge that no tax advice has been offered or
22 given by any other Party, their attorneys, agents, or any other representatives, in the course
23 of these negotiations, and that each Party is relying upon the advice of his/its own tax
24 consultant with regard to any tax consequences that may arise as a result of the execution
25 of this Agreement. The Class Representatives and Class Counsel acknowledge that they
26 may be required to submit a Form W-9, and the Class Representatives, Class Members,
27 and Class Counsel acknowledge that the Settlement Administrator may be required to
28 issue a Form 1099 or other tax form reporting the consideration flowing to the Class

1 Representatives, Class Members, and Class Counsel under this agreement to the Internal
2 Revenue Service and/or other taxing authority. Nothing herein shall obligate the Class
3 Representatives, Class Members, and Class Counsel to pay, indemnify, or otherwise
4 assume responsibility for any taxes that would be owed by Defendant in the first instance
5 or as a result of any re-classification of the treatment of the payments, such as, for example,
6 employer-side payroll contributions.

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

1 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
2 AGREEMENT.

3 77. No Prior Assignments. The Parties and their counsel represent, covenant,
4 and warrant that they have not directly or indirectly assigned, transferred, encumbered,
5 or purported to assign, transfer, or encumber to any person or entity any portion of any
6 liability, claim, demand, action, cause of action, or right herein released and discharged.

7 78. Release of Claims by Class Members. As of the Effective Date *and* full funding
8 the MSA by Defendant, the Settlement Class and Participating Class Members fully release
9 and discharge the Released Parties for the Released Claims for the Release Period.
10 Participating Class Members will be deemed to have acknowledged and agreed that their
11 claims for wages and penalties in the Action are disputed, and that Individual Class
12 Payments constitute payment of all sums allegedly due. Participating Class Members will
13 be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is
14 not applicable to the Individual Class Payment.

15 79. Release of Claims by Aggrieved Employees and State. As of the Effective Date
16 *and* full funding the MSA by Defendant, the Aggrieved Employees and State of California
17 fully release and discharge the Released Parties for the Released PAGA Claims for the
18 PAGA Release Period.

19 80. Release of Claims by Plaintiffs. As of the Effective Date *and* full funding the
20 MSA by Defendant, Each Plaintiff shall be bound by a complete Section 1542 release and
21 waiver of all claims known and unknown, without exception, against the “Released
22 Parties,” except as may be prohibited by law.

23 81. Duties of the Parties Prior to Court Approval. The Parties shall promptly
24 submit this Settlement Agreement to the Court in support of Plaintiffs’ Motion for
25 Preliminary Approval and determination by the Court as to the fairness, adequacy, and
26 reasonableness of the Settlement Agreement. Promptly upon execution of this Settlement
27 Agreement, the Parties shall apply to the Court for the entry of an order for:

28 a. Scheduling a fairness hearing on the question of whether the proposed

Settlement, including but not limited to, payment of Class Counsels' fees and costs, and the Class Representatives Enhancement Payment, should be finally approved as fair, reasonable, and adequate as to the members of the Settlement Class;

b. Preliminarily Certifying a Settlement Class;

c. Approving, as to form and content, the proposed Notice;

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

e. Directing the mailing of the Notice, by first class mail to the Class Members; and

f. Giving Preliminary Approval to Settlement subject to final review by the Court.

82. Duties of the Parties Following Preliminary Court Approval. Following Preliminary Approval by the Court of the Settlement provided for in this Settlement Agreement and Notice to the Class, Class Counsel will submit a proposed final order of approval and judgment for:

a. Approval of the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;

b. Approval of Class Counsels' application for an award of attorneys' fees and costs;

c. Approval of the Class Representatives Enhancement Payment to the Class Representatives;

d. Approval of the Settlement Administration Costs of the Settlement Administrator; and

e. That judgment be entered in the Action.

83. Rescission of Settlement Agreement (by Defendant). If more than ten percent (10%) of the Class Members opt-out of the Settlement by submitting Requests for Exclusion, Defendant may, at their option, rescind and void the Settlement and all actions taken in furtherance of it will thereby be null and void. Defendant must exercise this right

1 of rescission, in writing, to Class Counsel within fourteen (14) calendar days after the
2 Settlement Administrator notifies the Parties of the total number of Requests for Exclusion
3 received by the Response Deadline. If the option to rescind is exercised, Defendant shall
4 be solely responsible for all costs of the Settlement Administrator accrued to that point.

5 84. Escalator Clause. Defendant has estimated that there are approximately 140
6 Class Members who worked approximately 15,475 workweeks as of the date of mediation.
7 In the event the qualifying workweeks worked by Class Members during the Class Period
8 increase by more than 10% over this representation, Defendant shall have the option to
9 either: (i) increase the GSA on a pro-rata basis equal to the percentage increase in the
10 number of workweeks worked by the Class Members above 10% (for example, if the
11 number of workweeks increases by 11%, the GSA will increase by 1%) or (ii) shorten the
12 Release Period to an earlier date at which only the represented number of workweeks are
13 covered by the Class Period. Defendant shall make its election no later than 60 days prior
14 to the hearing on the motion for final approval.

15 85. Adjustments to Components of Maximum Settlement Amount. This
16 Agreement contemplates those future adjustments to the amounts of components of the
17 Maximum Settlement Amount listed above may be necessary and/or may be ordered by
18 the Court. Any such future adjustments shall be made only by written stipulation of the
19 Parties or by an order of the Court. For the avoidance of doubt, this Paragraph does not
20 apply to the Escalator Clause above, and modifications to this Settlement and the Notice
21 shall be implemented upon the Escalator Clause triggering without the need for a written
22 stipulation or Court Order.

23 86. Nullification of Settlement Agreement. In the event that: (a) the Court does
24 not issue final approval of the Settlement as provided herein; or (b) the Settlement does
25 not become final for any other reason, then this Settlement Agreement, and any documents
26 generated to bring it into effect, will be null and void. Any order or judgment entered by
27 the Court in furtherance of this Settlement Agreement will likewise be treated as void from
28 the beginning. In such event, if the Court rejects the Settlement despite the Parties' best

1 efforts, the Parties shall be equally liable for all Settlement Administration costs incurred
2 and split equally any such costs.

3 87. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the
4 Court to request the Preliminary Approval of the Settlement Agreement, and the entry of
5 a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for
6 settlement purposes only, (b) Preliminary Approval of the proposed Settlement
7 Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The
8 Preliminary Approval Order will provide for the Notice Packet to be sent to all Class
9 Members as specified herein. In conjunction with the Preliminary Approval hearing,
10 Plaintiffs will submit this Settlement Agreement, which sets forth the terms of this
11 Settlement, and will include the proposed Notice Packet; i.e., the proposed Notice of Class
12 Action Settlement document and Challenge Form, attached as **Exhibit A**. Class Counsel
13 will be responsible for drafting all documents necessary to obtain Preliminary Approval.
14 Defendant agrees not to oppose the Motion for Preliminary Approval.

15 88. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration
16 of the deadlines for Class Members to submit Requests for Exclusion, or objections to the
17 Settlement Agreement, and with the Court's permission, a Final Approval/Settlement
18 Fairness Hearing will be conducted to determine the Final Approval of the Settlement
19 Agreement along with the amounts properly payable for: (a) Individual Class Payments;
20 (b) Individual PAGA Payments; (c) the Labor and Workforce Development Agency
21 Payment; (d) the Class Counsels' Fees and Costs; (e) the Class Representatives
22 Enhancement Payment; (f) all Settlement Administration Costs; and (g) the Defendant's
23 share of payroll taxes for wages paid in connection with the Individual Class Payments.
24 Class Counsel will be responsible for drafting all documents necessary to obtain Final
25 Approval, including responding to any objections and appeals arising therefrom. Class
26 Counsel will also draft the attorneys' fees and costs application to be heard at the Final
27 Approval hearing. Defendant agrees not to oppose the Motion for Final Approval.

28 89. Termination of Settlement. Subject to the obligation(s) of cooperation set

1 forth herein, any Party may terminate this Settlement if the Court declines to enter the
2 Preliminary Approval Order, the Final Approval Order, or final judgment in substantially
3 the form submitted by the Parties, or the Settlement Agreement as agreed does not become
4 final because of appellate court action. The Terminating Party shall give to all other Parties
5 (through his/its counsel) written notice of his/its decision to terminate this Agreement no
6 later than ten (10) business days after receiving notice that one of the enumerated events
7 has occurred. Termination of this Agreement shall have the following effects:

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

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

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

17 90. Judgment and Continued Jurisdiction. Upon Final Approval of the
18 Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the
19 Parties will present the Judgment pursuant to California Code of Civil Procedure section
20 664.6 to the Court for its approval. After entry of the Judgment, the Court will have
21 continuing jurisdiction for purposes of addressing: (a) the interpretation and enforcement
22 of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-
23 Judgment matters as may be appropriate under court rules or as set forth in this
24 Agreement.

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

1 92. Entire Agreement. This Settlement Agreement, the general release of all
2 claims by the Class Representatives, and any attached Exhibits constitute the entirety of
3 the Parties' settlement terms. No other prior or contemporaneous written or oral
4 agreements may be deemed binding on the Parties. The Parties expressly recognize
5 California Civil Code §1625 and California Code of Civil Procedure § 1856(a), which
6 provide that a written agreement is to be construed according to its terms and may not be
7 varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic
8 oral or written representations or terms will modify, vary, or contradict the terms of this
9 Agreement.

10 93. Amendment or Modification. This Settlement Agreement may be amended
11 or modified only by a written instrument signed by the named Parties or their successors-
12 in-interest.

13 94. Authorization to Enter into Settlement Agreement. Counsel for all Parties
14 warrant and represent they are expressly authorized by the Parties whom they represent
15 to negotiate this Settlement Agreement and to take all appropriate action required or
16 permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate
17 its terms and to execute any other documents required to effectuate the terms of this
18 Settlement Agreement. The Parties and their counsel will cooperate with each other and
19 use their best efforts to effectuate the implementation of the Settlement. If the Parties are
20 unable to reach agreement on the form or content of any document needed to implement
21 the Settlement, or on any supplemental provisions that may become necessary to
22 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to
23 resolve such disagreement.

24 95. Signatories. It is agreed for the purposes of this Settlement Agreement only
25 that because the members of the Class are so numerous, it is impossible or impractical to
26 have each member of the Class execute this Settlement Agreement. The Notice, attached
27 hereto as **Exhibit A**, will advise all Class Members of the binding nature of the release,
28 and the release shall have the same force and effect as if this Settlement Agreement were

1 executed by each member of the Class.

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

5 97. California Law Governs. All terms of this Settlement Agreement and Exhibits
6 hereto will be governed by and interpreted according to the laws of the State of California.

7 98. Execution and Counterparts. This Settlement Agreement is subject only to
8 the execution of all Parties. The Agreement may be executed in one or more counterparts
9 either by ink or electronic signature. All executed counterparts and each of them, including
10 electronic, facsimile, and scanned copies of the signature page, will be deemed to be one
11 and the same instrument.

12 99. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
13 believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the
14 Action. The Parties further agree that they have arrived at this Settlement after arm's-
15 length negotiations and in the context of adversarial litigation, taking into account all
16 relevant factors, present and potential. The Parties further agree that they and their
17 respective counsel have conducted informal discovery, including but not limited to per-
18 shift time keeping data, payroll data, and evidence of pay and timekeeping policies, and
19 that the investigation conducted by the Parties was sufficient to satisfy the criteria for court
20 approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801
21 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130
22 ("*Dunk/Kullar*"). The Parties further acknowledge that they are each represented by
23 competent counsel and that they have had an opportunity to consult with their counsel
24 regarding the fairness and reasonableness of this Agreement.

25 100. Invalidity of Any Provision. Before declaring any provision of this Settlement
26 Agreement invalid, the Court will first attempt to construe the provision as valid to the
27 fullest extent possible consistent with applicable precedents so as to define all provisions
28 of this Settlement Agreement valid and enforceable.

1 101. Plaintiffs' Waiver of Right to Be Excluded and Object. Plaintiffs agree to sign
2 this Settlement Agreement and, by signing this Settlement Agreement, are hereby bound
3 by the terms herein. For good and valuable consideration, Plaintiffs further agrees that
4 they will not request to be excluded from the Settlement Agreement, nor object to any
5 terms herein, except as stipulated by the Parties in regard to their individual claims.

6 102. Waiver of Certain Appeals. The Parties agree to waive appeals and to
7 stipulate to class certification for purposes of this Settlement only; except, however, that
8 Plaintiffs or Class Counsel may appeal any reduction in the Class Counsels' Fees and Costs
9 below the amount requested from the Court but must inform Defense Counsel and the
10 Settlement Administrator of any intent to appeal prior to the distribution of any funds
11 from the Settlement Administrator to any Settlement Class Members or any other Parties.

12 103. Non-Admission of Liability. The Parties enter into this Agreement to resolve
13 the dispute that has arisen between them and to avoid the burden, expense, and risk of
14 continued litigation. In entering into this Agreement, Defendant does not admit, and
15 specifically denies, it has violated any federal, state, or local law; violated any regulations
16 or guidelines promulgated pursuant to any statute or any other applicable laws,
17 regulations, or legal requirements; breached any contract; violated or breached any duty;
18 engaged in any misrepresentation or deception; or engaged in any other unlawful conduct
19 with respect to its employees. Neither this Agreement, nor any of its terms or provisions,
20 nor any of the negotiations connected with it, shall be construed as an admission or
21 concession by Defendant of any such violations or failures to comply with any applicable
22 law. The Parties agree that there exists a bona fide dispute as to whether any compensation
23 is actually due to Plaintiffs, the putative class, and Aggrieved Employees, and if so, the
24 amount thereof, and no legal determinations have been made with respect to the legal
25 claims bought in the Action and resolved in this Settlement. Except as necessary in a
26 proceeding to enforce the terms of this Agreement, this Agreement and its terms and
27 provisions shall not be offered or received as evidence in any action or proceeding to
28 establish any liability or admission on the part of Defendant or to establish the existence

1 of any condition constituting a violation of, or a non-compliance with, federal, state, local,
2 or other applicable law.

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

6 105. Waiver. No waiver of any condition or covenant contained in this Agreement
7 or failure to exercise a right or remedy by any of the Parties hereto will be considered to
8 imply or constitute a further waiver by such Party of the same or any other condition,
9 covenant, right, or remedy.

10 106. Enforcement Actions. In the event that one or more of the Parties institute
11 any legal action, motion, petition, or other proceeding against any other Party or Parties
12 to enforce the provisions of this Settlement or to declare rights and/or obligations under
13 this Settlement, the successful Party or Parties will be entitled to recover from the
14 unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness
15 fees incurred.

16 107. Mutual Preparation. The Parties have had a full opportunity to negotiate the
17 terms and conditions of this Agreement. Accordingly, this Agreement will not be construed
18 more strictly against one Party than another merely by virtue of the fact that it may have
19 been prepared by counsel for one of the Parties, it being recognized that, because of the
20 arm's-length negotiations between the Parties, all Parties have contributed to the
21 preparation of this Agreement.

22 108. Representation By Counsel. The Parties acknowledge that they have been
23 represented by counsel throughout all negotiations that preceded the execution of this
24 Agreement, and that this Agreement has been executed with the consent and advice of
25 counsel, and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent
26 that there are no liens on the Settlement Agreement.

27 109. All Terms Subject to Final Court Approval. All amounts and procedures
28 described in this Settlement Agreement herein will be subject to the Court's Final

1 Approval.

2 110. Notices. Unless otherwise specifically provided herein, all notices, demands,
3 or other communications given hereunder shall be in writing and shall be transmitted to a
4 Party via email:

5 To Plaintiffs and the Settlement Class:

6 Elliot J. Siegel (Bar No. 286798)
7 elliot@kingsiegel.com
8 Julian Burns King (Bar No. 298617)
9 julian@kingsiegel.com
10 **KING & SIEGEL LLP**
724 South Spring Street, Suite 201
Los Angeles, California 90014
tel: (213) 465-4802

11 Navid Barahmand, Esq. (Bar No. 340934)
12 **BARAHMAND LAW GROUP**
13 navid@barahmandlaw.com
23801 Calabasas Road, Suite 2034
14 Calabasas, California 91302
tel: (818) 574-3355

15 To Defendant:

16 Michael Afar (SBN 298990)
17 mafar@seyfarth.com
18 Michael A. Sigall (SBN 305849)
msigall@seyfarth.com
19 **SEYFARTH SHAW LLP**
2029 Century Park East, Suite 3500
19 Los Angeles, California 90067-3021
Telephone: (310) 277-7200
20 Facsimile: (310) 201-5219

21
22 111. Cooperation and Execution of Necessary Documents. All Parties will
23 cooperate in good faith and execute all documents to the extent reasonably necessary to
24 effectuate the terms of this Settlement Agreement.

25 112. Binding Agreement. The Parties warrant that: 1) they understand and have
26 full authority to enter into this Agreement; 2) they intend that this Agreement will be fully
27 enforceable and binding on all Parties; and 3) agree that it will be admissible and subject
28 to disclosure in any proceeding to enforce its terms, notwithstanding any mediation

1 confidentiality provisions that otherwise might apply under federal or state law.

2 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed
3 this Joint Stipulation of Settlement and Release Between Plaintiffs and Defendant as of
4 the date(s) set forth below:

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SIGNATURES

READ CAREFULLY BEFORE SIGNING

PLAINTIFF: Daniel Alvarado

Dated: 04/02/26


Daniel Alvarado (Apr 2, 2026 10:18:30 PDT)
Daniel Alvarado

PLAINTIFF: Timoteo Prado Calderon

Dated: 04/02/26


Tim Prado (Apr 2, 2026 09:56:36 PDT)
Timoteo Prado Calderon

DEFENDANT: CTOS, LLC

Dated: 4/3/2026

Signed by:

By: Paul Jolas
Name: Paul Jolas
Its: EVP and General Counsel

Exhibit A

**NOTICE OF PROPOSED CLASS AND PAGA ACTION SETTLEMENT AND HEARING DATE
FOR COURT APPROVAL**

Daniel Alvarado et al. v. CTOS, LLC et al.
Superior Court of the State of California, Kern County
Case No. BCV-25-100908

You are **not** being sued. This is **not** an advertisement. This notice affects your rights.

YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice of Class Action Settlement because CTOS, LLC's ("CTOS") records show you are what is called a "Class Member," and are entitled to a payment from this class action settlement ("Settlement"). Class Members are all current and former employees of CTOS who worked in California from March 12, 2021 through April 14, 2026.

On [REDACTED], the Honorable Gregory Pulskamp of the Superior Court of California for the County of Kern granted preliminary approval of this Class Action Settlement and ordered that all Class Members be notified of the Settlement.

Unless you choose not to participate in the Settlement (in other words, should you choose to "opt out") by following the procedures described below, you will be considered a Participating Class Member. If the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement fund, which is estimated to be <<estAmount>>. [For PAGA Aggrieved Employees only: You are also a PAGA Aggrieved Employee, and will be mailed a check for your portion of the civil penalties under PAGA allocated in this Settlement, which is estimated to be <<estAmount>>.¹]

**IF YOU STILL WORK FOR CTOS, PARTICIPATION IN THIS SETTLEMENT
WILL NOT AFFECT OR DISRUPT YOUR WORK IN ANY MANNER. YOU**

¹ By law, under the Private Attorney Generals Act ("PAGA"), the amount recovered in settlement, after paying for attorney's fees and costs, and costs of administration of settlement, are to be split between the State of California and the PAGA Settlement Members. The State receives 65% of the net settlement amount and the PAGA Settlement Members receive 35% of the net settlement (to be allocated on a pro rata basis). Each PAGA Settlement Member will receive a pro rata share of the PAGA Settlement Members Payment based on their Eligible Pay Periods relative to the total Eligible Pay Periods of all PAGA Settlement Members ("Individual PAGA Settlement Member Payment"). You worked <<PayPeriods>> pay periods during the PAGA Period. The total amount of pay periods worked by all Aggrieved Employees during the PAGA Period is <<PayPeriods>>. Therefore, your Individual PAGA Settlement Member Payment is <<CheckAmount>>.

Questions? Contact the Settlement Administrator toll free at [REDACTED]

WILL NOT BE RETALIATED AGAINST BY DEFENDANT FOR YOUR PARTICIPATION.

California law strictly prohibits retaliation. Defendant is prohibited by law from taking any adverse action against any Class Member or otherwise targeting, retaliating, or discriminating against any Class Member because of the Class Member's participation in or decision not to participate in this Settlement.

You can view the proposed Final Approval Order, Final Judgment, and payment schedule at [www._____](http://www._____.).

What Is This Case About?

Daniel Alvarado is a former employee and Timoteo Prado Calderon is a current employee of CTOS, LLC ("CTOS" or "Defendant"). They are the "Plaintiffs" in this case and are suing Defendant on behalf of themselves and all Class Members. Plaintiffs sued Defendant, alleging it (1) failed to pay minimum wages; (2) failed to pay overtime wages; (3) failed to authorize meal periods or premium pay in lieu thereof; (4) failed to provide rest periods or premium pay in lieu thereof; (5) failed to provide and maintain accurate records; (6) failed to pay wages when due; (7) failed to reimburse necessary business expenses; (8) civil penalties under the Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698, *et seq.* ("PAGA"); and (9) engaged in Unlawful Business Practices, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

Defendant is not admitting to any allegations or wrongdoing in this case, and in fact expressly denies that any of its practices at issue in this lawsuit were or are unlawful. Specifically, Defendant asserts that the Class Members were properly compensated at all times during the Class Period. Defendant further asserts that CTOS has and had during the Class Period lawful wage-and-hour policies, practices, and procedures, including legally compliant timekeeping policies.

Plaintiffs entered into settlement discussions with Defendant in an attempt to resolve the disputed claims in this case. On [April __, 2026](#), the Parties negotiated a settlement on behalf of themselves and the Class Members. The Parties' agreement has been documented in a Joint Stipulation of Settlement and Release of Class and PAGA Action ("Joint Stipulation").

The Court has preliminarily approved the Joint Stipulation. The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing. The Final Fairness and Approval Hearing ("Hearing") on the adequacy, reasonableness, and fairness of the Settlement will be held at [_____](#) on [_____](#), in Division J of the Superior Court of California for the County of Kern, 1215 Truxtun Avenue, Bakersfield, California 93301.

Questions? Contact the Settlement Administrator toll free at [_____](#)

Attorneys for Plaintiffs and the Class Members (“Class Counsel”) are:

Elliot J. Siegel
KING & SIEGEL, LLP
(213) 465-4802
724 South Spring Street, Suite 201
Los Angeles, California 90014

Navid Barahmand
BARAHMAND LAW GROUP
(818) 574-3355
23801 Calabasas Road, Suite 2034
Calabasas, California 91302

Summary of the Settlement Terms

Plaintiffs and Defendant have agreed to settle this case on behalf of themselves and the Class Members for \$520,000.00 (“Gross Settlement Amount”).

The Gross Settlement Amount includes: (1) Individual Settlement Payments to Participating Class Members; (2) a \$10,000 service payment to each of the Representative Plaintiffs for their time and effort in pursuing this case and in exchange for a general release of claims against Defendant, subject to Court approval; (3) Settlement Administration Costs; (4) \$32,500 to the California Labor & Workforce Development Agency, representing the State of California’s portion of civil penalties under PAGA (or 65% of the \$50,000 allocated to PAGA penalties); (5) \$17,500 to alleged PAGA Aggrieved Employees (or 35% of the \$50,000 allocated to PAGA penalties); and (6) subject to Court approval of an application for fees and costs, an award of up to \$173,333.33 in attorneys’ fees and up to \$30,000 in litigation costs to Class Counsel.

After deducting the service payment to Plaintiffs, the Settlement Administration Costs, the portion of the PAGA payment to be paid to the California Labor and Workforce Development Agency, payments to PAGA Aggrieved Employees, and attorneys’ fees and costs/expenses, a total of approximately [\$] will be available to Class Members who do not opt out of the Settlement (“Net Settlement Amount”). Employer-side payroll taxes will be paid by CTOS *outside* of the Gross Settlement Amount.

Plan of Distribution to Class Members and PAGA Aggrieved Employees

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of weeks a Participating Class Member worked during the Class Period (“Workweeks”). Individual PAGA Payments will be separately calculated and apportioned from the portion of the PAGA amount intended for PAGA Aggrieved Employees.

Specific calculations of Individual Settlement Payments will be made as follows:

Questions? Contact the Settlement Administrator toll free at _____

- a. The Settlement Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendant's possession, custody or control.² Workweeks are determined by identifying each week an employee actually worked based on Defendant's timekeeping and/or payroll data. A Class Member who worked only one day during the Class Period will be credited with having worked one Workweek for purposes of the Settlement. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down.
- b. Using the Class Data, the Settlement Administrator will calculate the total Workweeks for all Settlement Class Members by adding the number of Workweeks worked by each Settlement Class Member during the Class Period. The respective Workweeks for each Settlement Class Member will be divided by the total Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member.
- c. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated Individual Settlement Payments.
- d. Using the Class Data, the Settlement Administrator will calculate the total number of pay periods in the PAGA Period and will divide each Aggrieved Employee's individual number of eligible pay periods in the PAGA Period to determine their pro rata portion of the portion of the PAGA Payment allocated to each Aggrieved Employees. Partial pay periods will not be counted, meaning incomplete pay periods will be rounded down; however, an Aggrieved Employee who worked only one day during the PAGA Period will be credited with having worked one pay period for purposes of the Settlement.
- e. According to Defendant's records, you worked [REDACTED] Workweeks during the Class Period. Accordingly, your estimated payment is approximately \$[REDACTED].

If you believe the information provided above as to the number of your Individual Workweeks is incorrect and you wish to dispute it, please submit the Challenge Form attached to your Challenge Form to the Settlement Administrator at *Daniel Alvarado et al v. CTOS, LLC. et al.* Settlement Administrator, c/o [REDACTED] no later than 30 days after the date this Notice of Class Action Settlement was mailed to you.³

² Defendant's Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator in consultation with Class Counsel and counsel for Defendant. The Settlement Administrator's decision on all Workweek disputes will be final and non-appealable.

³ Unless the 30th day falls on a Sunday or federal holiday, in you have until the next day on which the U.S. Postal Service is open.

If you dispute the information stated above, the information provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation (“Disputes”), must be postmarked no later than [REDACTED]. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

Class Member Tax Matters

IRS Forms W-2 and 1099-MISC will be distributed to participating Class Members and Aggrieved Employees, and the appropriate taxing authorities reflecting the payments Class Members and Aggrieved Employees receive under the Settlement. Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 20% of each Individual Settlement Payment will be allocated to alleged unpaid wages and 80% will be allocated as alleged unpaid civil penalties. All Individual PAGA Payments will be allocated as penalties and will be reported on an IRS Form-1099 by the Settlement Administrator. Again, please consult with a tax advisor regarding the significance of how each Individual Settlement Payment is allocated between wages, penalties, and interest. This notice is not intended to provide legal or tax advice. To the extent this notice or any of its attachments is interpreted to contain or constitute advice regarding any United States or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the Settlement, then no further action is required on your part. You will automatically receive your Individual Settlement Payment and Individual PAGA payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1** and the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement funds. In addition, you will be deemed to have released or waived the following claims (“Released Claims”) against the Released Parties for the Release Period.

The Released Claims are defined as:

All claims that were alleged in, or could reasonably have been alleged based on the facts set forth in, the First Amended Class Complaint. The Released Claims shall be released through the Release Period. The Release will only take effect upon the latter of the Effective Date and full funding of the MSA by Defendant.

The Released PAGA Claims include:

Questions? Contact the Settlement Administrator toll free at _____

The claim for civil penalties under PAGA asserted in the LWDA letter, or that could have reasonably been alleged based on the factual allegations contained in the PAGA Notice. The Released PAGA Claims shall be released through the PAGA Release Period.

No Aggrieved Employee may opt out of the PAGA Release and will be bound by this Release regardless of whether they cash their Individual PAGA Payment. The Release will only take effect upon the latter of the Effective Date and full funding of the MSA by Defendant.

“Released Parties” means Defendant CTOS, LLC, and its current and former parents, subsidiaries, affiliates, shareholders, members, agents, predecessors, successors and assigns.

The “Release Period” is the period from March 12, 2021 through April 14, 2026. The “PAGA Release Period” is the period from March 12, 2023 through April 14, 2026.

Option 2 – Opt-Out of the Settlement

You will be treated as a participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator, in writing, not later than [date], that you wish to opt-out.

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written “Request for Exclusion from The Class Action Settlement” letter or card to the Settlement Administrator postmarked no later than [redacted]. Your written request should clearly state your intent to opt out or be excluded. For instance, you could write:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *DANIEL ALVARADO ET AL. V. CTOS, LLC, ET. AL. LAWSUIT.*”

The written request for exclusion should also include sufficient information to identify you, including your name, address, telephone number, or last four digits of your Social Security Number. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail or equivalent, to the address below.

Daniel Alvarado et al. v. CTOS, LLC, et. al Settlement Administrator

c/o [redacted]
[redacted]
[redacted]

Telephone: [redacted]

The written request to be excluded from the Settlement must be postmarked to the Settlement Administrator not later than [redacted] [30 days from mailing]. If you

Questions? Contact the Settlement Administrator toll free at [redacted]

submit a request for exclusion which is not postmarked by [REDACTED], your request for exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, you will no longer be a Class Member. Therefore, you (1) will **not** receive any payment from the Settlement, with the exception of your pro-rata portion of the Aggrieved Employees' portion of the civil penalties allocated to PAGA⁴; (2) will not be deemed to have released any claims due to this Settlement with the exception of the PAGA cause of action, and (3) will be barred from filing an objection to the Settlement.

Do not submit both a Dispute and a Request for Exclusion. If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you can mail a written objection to the Settlement Administrator. Your objection should provide: your full name, address and telephone number, the last four digits of your Social Security Number, the dates you were employed by CTOS in California, and your objections to the Settlement, including each specific reason in support of each objection and any legal support for each objection together with any evidence in support of your objection. Your objection should be mailed to the Settlement Administrator on or before [REDACTED]. All objections or other correspondence should state the name and number of the case, which is *Daniel Alvarado et al. v. CTOS, LLC, et. al.*, Kern County Case Number No. BCV-25-100908.

You may also appear at the Final Fairness and Approval Hearing set for [REDACTED] at [REDACTED], in Division J of the Superior Court of California for the County of Kern located at 1215 Truxtun Avenue, Bakersfield, California 93301 and discuss your objections with the Court and the Parties at your own expense.

You may appear at the Hearing regardless of whether you submitted a written objection. You may also retain an attorney to represent you at the Hearing at your own expense.

If you choose **Option 3**, you will still be entitled to the money from the Settlement. You will remain a member of the Settlement Class, and if the Court overrules your objections and approves the Settlement, you will receive your Individual Settlement Payment and will be bound by the terms of the Settlement in the same way as Class Members who do not object, including being deemed to have released the Released Claims. You cannot both object to the settlement and exclude yourself. You must choose one option only.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you

⁴ By law, Aggrieved Employees cannot opt out of the Settlement with respect to the PAGA claims and will release their claims for civil penalties under PAGA as set forth in the Settlement regardless of whether they cash their Individual PAGA Payment.

may refer to the pleadings, the Joint Stipulation of Settlement, and other papers filed in this case, which may be inspected at the Office of the Clerk of the Superior Court of California for the County of Kern, during regular business hours of each court day.

All questions by Class Members regarding this Notice of Class and PAGA Action Settlement and/or the Settlement should be directed to the Settlement Administrator or Class Counsel.

You can view the final approval order and final judgment and payment schedule at [www._____](http://www._____.).

PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THIS NOTICE.

Challenge Form

Daniel Alvarado et al. v. CTOS, LLC., et al.
Superior Court of the State of California, Kern County
Case No. BCV-25-100908

For all persons who are or previously were employed by Defendant CTOS, LLC (“Defendant”) in the State of California as a non-exempt employee in the State of California from March 12, 2021 through April 14, 2026 (“Class Period”).

Your Estimated Payment

Your total Individual Settlement Payment is currently estimated at \$ [REDACTED]. [[Your total Individual PAGA Payment is currently estimated at \$ [REDACTED].]] Your estimated pro-rata share of the Net Settlement Amount, as defined in the accompanying Notice of Proposed Class and PAGA Action Settlement and Hearing Date for Court Approval (“Notice”), may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement. The Net Settlement Amount to be distributed to all Class Members who do not opt-out of the settlement is currently estimated to be \$ [REDACTED].

Your estimated award is based on your pro-rata percentage of the Net Settlement Amount. Your award is calculated based on your Workweeks as a non-exempt employee in California during the Class Period, as a percentage of all of Class Members’ Workweeks in California during the Class Period, as adjusted per the allocation method set forth in the Joint Stipulation of Settlement and Release of Class Action and the accompanying Notice. “Workweeks” means the number of weeks actually worked by each Class Member as a non-exempt employee during the Class Period. Workweeks are determined by identifying each week an employee actually worked based on Defendant’s timekeeping and/or payroll data. A Class Member who worked only one day during the Class Period will be credited with having worked one Workweek for purposes of the Settlement. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down. Defendant’s records show that during the Class Period, you worked a total of [REDACTED] Workweeks. [[Defendant’s records show that during the PAGA Period you worked a total of [REDACTED] Pay Periods.]]

YOU DO NOT NEED TO DO ANYTHING IN ORDER TO RECEIVE MONEY UNDER THE SETTLEMENT.

If you believe the total number of your Workweeks during the Class Period or Pay Periods during the PAGA Period (listed above) are accurate, you do not need to take any further action in order to receive your payment(s).

TO CHALLENGE THE NUMBER OF YOUR WORKWEEKS DURING THE CLASS PERIOD OR PAY PERIODS DURING THE PAGA PERIOD, THE CHALLENGE FORM AND THE CHALLENGE PORTION OF THE FORM BELOW MUST BE SIGNED AND POSTMARKED NO LATER THAN [DATE].

CHALLENGE FORM

Important:

1. You do NOT have to complete this part of the Challenge Form if the total number of your Workweeks during the Class Period as stated above is accurate.
2. If you do submit this form, it is strongly recommended that you keep proof of timely mailing of this form until receipt of your settlement payment.
3. If you change your mailing address, please provide your new mailing address to the Settlement Administrator. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.

Check the box below ONLY if you wish to challenge the total number of your Workweeks or Pay Periods as stated above. All fields on this Challenge Form must be complete for your challenge to be accepted:

- ☐ I wish to challenge the total number of my Workweeks or Pay Periods. I have included a written statement detailing what I believe to be the correct number of weeks or pay periods I was employed as an hourly, non-exempt employee in California during the Class Period or PAGA Period. I have also included information and/or documentary evidence that support my challenge. I understand that by submitting this challenge I authorize the Settlement Administrator to review Defendant' records and determine the validity of my challenge.

Signature

Name of Class Member _____
[preprinted]

Class Member ID Number (from address label): _____
[preprinted]

I believe that the correct number of Workweeks I was employed by Defendant as an hourly, non-exempt employee in California during the Class Period is:_____

I believe that the correct number of Pay Periods I was employed by Defendant as an hourly, non-exempt employee in California during the PAGA Period is:_____

The following is a statement of my reasons and documentation to support this number of Workweeks or Pay Periods:

[Attach documentation and use separate page(s) as necessary]

Mail to:
insert address

Exhibit B

1 Elliot J. Siegel (Bar No. 286798)
2 elliot@kingsiegel.com
3 Julian Burns King (Bar No. 298617)
4 julian@kingsiegel.com
5 **KING & SIEGEL LLP**
6 724 South Spring Street, Suite 201
7 Los Angeles, California 90014
8 tel: (213) 465-4802

9 Navid Barahmand, Esq. (Bar No. 340934)
10 **BARAHMAND LAW GROUP**
11 navid@barahmandlaw.com
12 23801 Calabasas Road, Suite 2034
13 Calabasas, California 91203
14 tel: (818) 574-3355

15 Attorneys for Plaintiffs and the Settlement Class

16
17 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
18 **FOR THE COUNTY OF KERN**
19

20 **Daniel Alvarado**, individually and on
21 behalf of all similarly situated individuals,
22 **Timoteo Prado Calderon**, individually
23 and on behalf of all similarly situated
24 individuals;

25 Plaintiffs,

26 vs.

27 **CTOS, LLC**, a Delaware Limited Liability
28 Company; and **Does 1-10**, inclusive;

Defendants.

CASE NO. BCV-25-100908

[Assigned to the Hon. Gregory Pulskamp;
Div J]

CLASS ACTION

**[PROPOSED] ORDER
PRELIMINARILY APPROVING
CLASS ACTION SETTLEMENT
PURSUANT TO THE TERMS OF
JOINT STIPULATION RE: CLASS
ACTION SETTLEMENT**

Date: _____

Time: _____

Dept.: _____

1 Plaintiffs' Unopposed Motion for Preliminary Approval of the proposed settlement
2 of this Class and Representative action on the terms set forth in the Joint Stipulation of
3 Settlement and Release of Class and PAGA Action (the "Settlement" or "Stipulation") came
4 on for hearing on May 1, 2026.

5 Having considered the Settlement, all papers and proceedings held herein, and
6 having reviewed the entire record in this action, Case No. BCV-25-100908, entitled *Daniel*
7 *Alvarado et al. v. CTOS, LLC. et al.* (the "Action"), and good cause appearing, the Court
8 finds that:

9 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

10 1. To the extent defined in the Stipulation, incorporated herein by reference, the
11 terms in this Order shall have the meanings set forth therein.

12 2. The Court has jurisdiction over the subject matter of this Action, Defendant,
13 and the Class.

14 3. The Class is defined as follows: "*All persons who worked at least one shift as*
15 *a non-exempt employee of Defendant in the State of California from the period of March*
16 *12, 2021 through April 14, 2026.*"

17 4. The Court has determined that the Class Notice fully and accurately informs
18 all persons in the Class of all material elements of the proposed Settlement, constitutes the
19 best notice practicable under the circumstances, and constitutes valid, due, and sufficient
20 notice to all Class Members. The Class Notice is attached as **Exhibit A** and incorporated
21 by reference.

22 5. The Court hereby grants preliminary approval of the Settlement and
23 Stipulation as fair, reasonable, and adequate in all respects to the Class Members, and
24 orders the parties to consummate the Settlement in accordance with the terms of the
25 Stipulation, including the terms and procedures for Class Members to object or request
26 exclusion to the Settlement.

27 6. The plan of distribution as set forth in the Stipulation providing for the
28 distribution of the Net Settlement Amount to Settlement Class Members is preliminarily

approved as being fair, reasonable, and adequate.

7. The Court preliminarily appoints as Class Counsel the following attorneys: Elliot J. Siegel of King & Siegel LLP, 724 S. Spring Street, Suite 201, Los Angeles, California 90014; Navid Barahmand of Barahmand Law Group 23801 Calabasas Road, Suite 2034, Calabasas, California 91302.

8. The Court preliminarily approves the payment of attorneys' fees in the amount of \$173,333.33¹ (or one-third of the Maximum Settlement Amount) to Class Counsel, which shall be paid from the Maximum Settlement Amount.

9. The Court preliminarily approves the payment of incurred reasonable costs in an amount not to exceed \$30,000.00 to Class Counsel, which shall be paid from the Maximum Settlement Amount as defined in the parties' Stipulation.

10. The Court preliminarily approves a payment in the amount of \$50,000.00 of the settlement amount to be allocated to PAGA, of which \$32,500.00 will be paid to the California Labor & Workforce Development Agency, representing the State of California's portion of civil penalties under PAGA (or 65% of \$50,000.00), and \$17,500 to the alleged Aggrieved Employees (or 35% of \$50,000.00), which shall be paid from the Maximum Settlement Amount.

11. The Court preliminarily approves the payment of incurred reasonable claims administration costs to the Settlement Administrator, in an amount not to exceed \$25,000, which shall be paid from the Maximum Settlement Amount.

12. The Court preliminarily approves an enhancement award to the Class Representatives, Daniel Alvarado and Timoteo Prado Calderon, in the amount of up to \$10,000.00 each, which amount shall be paid from the Maximum Settlement Amount.

13. This Preliminary Approval Order and the Stipulation, and all papers related thereto, are not, and shall not be construed to be, an admission by Defendant of any

¹ For the avoidance of doubt, any increase to the Maximum Settlement Amount caused the Escalator Provision of the Parties' stipulation shall apply to Class Counsel's fees such that they shall be equal to one-third of the amount of the escalated Maximum Settlement.

liability, claim, or wrongdoing whatsoever, and shall not be offered as evidence of any such liability, claim, or wrongdoing in this Action or in any other proceeding.

14. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, then this Preliminary Approval Order shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated. In such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation, and each party shall retain his or its rights to proceed with litigation of the Action.

15. The Court orders the following Implementation Schedule² for further proceedings:

a.	Deadline for Defendant to submit Class Member data to the Settlement Administrator	_____ [14 calendar days after entry of the Court's Order Granting Preliminary Approval].
b.	Deadline for the Settlement Administrator to mail Notice of the Settlement to the Class Members	_____ [5 calendar days following the Settlement Administrator's receipt of Class data]
c.	Deadline for Class Members to postmark Requests for Exclusion from the Settlement	_____ [30 calendar days after the Settlement Administrator mails the Notice]
d.	Deadline for Class Members to submit objections to the Settlement	_____ [30 calendar days after the Settlement Administrator mails the Notice, unless the Settlement Administrator is required to re-mail the notice, in which case the deadline shall be extended by 15 calendar days]
e.	Settlement Administrator to provide update to Class Counsel regarding Requests for Exclusion, disputed amounts, and claims made for inclusion of the Settlement	_____ [30 days prior to the deadline for Class Counsel to file its motion in support of the Final Approval Hearing]
f.	Deadline for Class Counsel to file the Motion for Final Approval of Settlement, including Request for	_____ [16 Court days prior to the Final Settlement Approval Hearing]

² If any date provided for by the Stipulation falls on a weekend or court holiday, the time to act shall be extended to the next business day, and will be as stated in this Implementation Schedule.

1		Attorneys' Fees, Costs, and Enhancement Award	
2	g.	Final Settlement Approval Hearing	_____, 2026 at _____ a.m./p.m.
3			
4	h.	Settlement Administrator to Provide an Accounting of Funds	_____ [5 calendar days following the Effective Date of the Settlement]
5			
6	i.	Deadline for Defendant to deposit the Maximum Settlement Amount under the Settlement.	_____ [Thirty (30) calendar days following the Effective Date.]
7			
8			
9	j.	Deadline for Settlement Administrator to distribute payments to: (a) the Settlement Administrator; (b) the Labor and Workforce Development Agency; (c) Class Representatives; and (d) Class Counsel, in the amount approved by the Court in the Final Approval. The Settlement Administrator shall also send to Participating Class Members their Individual Settlement Payments	_____ [5 calendar days following receipt by the Settlement Administrator of the Maximum Settlement Amount]
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16	l.	Compliance Hearing	_____ [240 calendar days following Effective Date of the Settlement]
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19 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

20

21 DATED: _____

22 _____
Hon. Gregory Pulskamp
Kern County Superior Court Judge

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Exhibit C

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN

Daniel Alvarado, individually and on
behalf of all similarly situated individuals,
Timoteo Prado Calderon, individually
and on behalf of all similarly situated
individuals;

Plaintiffs,

vs.

CTOS, LLC, a Delaware Limited Liability
Company; and **Does 1-10**, inclusive;

Defendants.

CASE NO. BCV-25-100908

[Assigned to the Hon. Gregory Pulskamp;
Div J]

CLASS ACTION

**[PROPOSED] ORDER FINALLY
APPROVING CLASS AND PAGA
ACTION SETTLEMENT PURSUANT
TO THE TERMS OF JOINT
STIPULATION RE: CLASS AND PAGA
ACTION SETTLEMENT**

Date: _____ [Reserved]
Time: _____
Dept.: _____

[PROPOSED] ORDER

Plaintiffs' Unopposed Motion for Final Approval of the proposed Settlement of this action on the terms set forth in the Joint Stipulation of Settlement (the "Settlement" or "Stipulation") came on for hearing on [REDACTED], 2026.

In conformity with California Rules of Court, rule 3.769, with due and adequate notice having been given to Class Members (as defined in the Settlement Agreement), and having considered the declaration of the Settlement Administrator, Settlement Agreement, all of the legal authorities and documents submitted in support thereof, all papers filed and proceedings had herein, all oral and written comments received regarding the Settlement Agreement, and having reviewed the record in this litigation, and good cause appearing, the Court **GRANTS** final approval of the Settlement Agreement and orders and makes the following findings and determinations and enters final judgment as follows:

1. All terms used in this order shall have the same meanings given as those terms are used and/or defined in the parties' Settlement Agreement and Plaintiffs' Motion for Order Granting Final Approval of Class and PAGA Action Settlement. A copy of the Joint Stipulation of Settlement is attached to the Declaration of Elliot J. Siegel in Support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement as **Exhibit 1** and is made a part of this Order.¹

2. The Court has personal jurisdiction over the Parties to this litigation and subject matter jurisdiction to approve the Settlement Agreement and all exhibits thereto.

3. The previously certified Class, as further defined in the Settlement is as follows:

"All persons who worked at least one shift as a non-exempt employee of Defendant in the State of California from the period of March 12, 2021 through April 14, 2026."

¹ The Court previously granted preliminary approval of the Settlement on [REDACTED].

4. The Court deems this definition sufficient for the purpose of rule 3.765(a) of the California Rules of Court for the purpose of effectuating the Settlement.

5. The Court finds that an ascertainable class of [REDACTED] Participating Class Members exists and a well-defined community of interest exists on the questions of law and fact involved because in the context of the Settlement: (i) all related matters, predominate over any individual questions; (ii) the claims of the Plaintiffs are typical of claims of the Class Members; and (iii) in negotiating, entering into and implementing the Settlement, Plaintiffs and Class Counsel have fairly and adequately represented and protected the interest of the Class Members.

6. The Court finds that the Settlement Agreement has been reached as a result of informed and non-collusive arm's-length negotiations. The Court further finds that the Parties have conducted extensive litigation, investigation, and research, and their attorneys were able to reasonably evaluate their respective positions over the course of this litigation.

7. The Court finds that the Settlement constitutes a fair, adequate, and reasonable compromise of the Class' claims and will avoid additional and potentially substantial litigation costs, as well as the delay and risks of the Parties if they were to continue to litigate the case. After considering the monetary recovery provided as part of the Settlement in light of the challenges posed by continued litigation, trial, and appeals, the Court concludes that Class Counsel secured significant relief for Class Members.

8. The Court hereby approves the terms set forth in the Settlement Agreement and finds that the Settlement is, in all respects, fair, adequate, and reasonable, consistent with all applicable requirements of the California Code of Civil Procedure, the California and United States Constitutions, including the Due Process clauses, the California Rules of Court, and any other applicable law, and in the best interests of each of the Parties and Class Members.

9. The Court appoints Elliot J. Siegel of King & Siegel LLP, Navid Barahmand of Barahmand Law Group and finds each of them to be adequate, experienced, and well-versed in class action litigation.

10. The Court appoints Plaintiffs as Class Representatives and finds them to be adequate.

11. The Court is satisfied that [REDACTED], which functioned as the Settlement Administrator, completed the distribution of Class Notice to the Class in a manner that comports with California Rule of Court 3.766. The Class Notice informed the prospective Class Members of the Settlement terms, their right to do nothing and receive their settlement share, their right to submit a request for exclusion, their rights to comment on or object to the Settlement, and their right to appear at the Final Approval and Fairness Hearing, and be heard regarding approval of the Settlement and adequate periods of time to respond and to act were provided by each of these procedures.

12. As part of administration, the Court notes that [REDACTED] Class Members filed written objections to the Settlement as part of this notice process, and [REDACTED] Class Members filed a written statement of intention to appear at the Final Approval and Fairness Hearing, and [REDACTED] Class Member submitted a request for exclusion. The Class Member(s) who requested exclusion, specifically [REDACTED], will not be bound by the Settlement and will not receive any portion of the Net Settlement Amount, but will be bound by the PAGA Release to the extent they are Aggrieved Employees under the Settlement.

13. The terms of the Settlement Agreement, including the Maximum Settlement Amount of \$520,000.00 and the allocation for determining Individual Settlement Payments, are fair, adequate, and reasonable to the Class and to each Class Member, and the Courts grants final approval of the Settlement set forth in the Settlement Agreement, subject to this Order.

14. The Court further approves the following distributions from the Maximum Settlement Amount, which fall within the ranges stipulated by and through the Settlement

1 Agreement:

2 a. The \$173,333.33 amount, representing one-third of the Maximum
3 Settlement Amount, requested by Plaintiffs and Class Counsel for the Class
4 Counsels' attorneys' fees is fair and reasonable in light of the benefit obtained for
5 the Class. Class Counsels' fee request is also supported by its lodestar cross-check,
6 and the Court finds that Class Counsels' time spent on the matter and hourly rates
7 charged by the attorneys who worked on the matter are fair and reasonable. The
8 Court grants final approval of, awards, and orders the Class Counsel fees payment
9 to be made in accordance with the Settlement Agreement.

10 b. The Court awards Class Counsel \$[REDACTED] in litigation costs, which
11 is an amount which the Court finds to be reflective of the actual and reasonable
12 costs incurred. The Court grants final approval of Class Counsels' litigation
13 expenses payment and orders payment of this amount to be made in accordance
14 with the Settlement Agreement.

15 c. The \$10,000 class representative incentive payment requested to
16 each Named Plaintiff are fair and reasonable. The Court grants final approval of the
17 payment and orders the payment to be made in accordance with the Settlement
18 Agreement.

19 d. The amount of \$[REDACTED] designated for payment to the Settlement
20 Administrator is fair and reasonable. The Court grants final approval of it and
21 orders the Parties to make the payment to the Settlement Administrator in
22 accordance with the Settlement Agreement.

23 e. The Court approves of the \$50,000.00 allocation assigned for claims
24 under the Labor Code Private Attorneys General Act of 2004, and orders 65%
25 thereof (*i.e.*, \$32,500.00) to be paid to the California Labor and Workforce
26 Development Agency and orders 35% thereof (*i.e.*, \$17,500.00) to be paid to alleged
27 Aggrieved Employees in accordance with the terms of the Settlement Agreement.

1 15. The Court orders the Parties to otherwise comply with, effectuate, and carry
2 out all terms and provisions of the Settlement Agreement, to the extent that the terms
3 thereunder do not contradict with this order, in which case the provisions of this order
4 shall take precedence and supersede the Settlement Agreement.

5 16. All Participating Class Members shall be bound by the Settlement and this
6 order, including the release of claims as set forth in the Settlement Agreement.

7 17. The Parties shall bear their own respective attorneys' fees and costs except
8 as otherwise provided in this order and the Settlement Agreement.

9 18. Plaintiffs shall file with the Court a report regarding the status of distribution
10 no later than fifty (50) days after all funds have been distributed.

11 19. All checks mailed to the Class Members must be cashed within 180 days of
12 issuance and will be negotiable through that date (the "Void Date"). Any envelope
13 transmitting a settlement distribution to a class member shall bear the notation, "YOUR
14 CLASS ACTION SETTLEMENT CHECK IS ENCLOSED." Checks that remain uncashed
15 after the Void Date shall be sent to the California State's Unclaimed Wages Fund.

16 20. No later than 10 days from this order, the Settlement Administrator shall
17 give notice of judgment to Class Members pursuant to California Rules of Court, rule
18 3.771(b) by posting a copy of this Order and Final Judgment on its website assigned to this
19 matter.

20 21. The Court retains continuing jurisdiction over the Action and the Settlement,
21 including jurisdiction pursuant to rule 3.769(h) of the California Rules of Court and Code
22 of Civil Procedure section 664.6, solely for purposes of (a) enforcing the Settlement
23 Agreement, (b) addressing settlement administration matters, and (c) addressing such
24 post-judgment matters as may be appropriate under court rules or applicable law.

25 22. This Final Judgment is intended to be a final disposition of the above-
26 captioned action in its entirety and is intended to be immediately appealable. This final
27 judgment resolves all claims released by the Settlement Agreement against Defendants.

23. The Court hereby sets a hearing date of [REDACTED], 202[REDACTED] at [REDACTED] for a hearing on the final accounting and distribution of the settlement funds. Counsel shall file with the Court a report regarding the status of distribution at least five days before the hearing and not more than 21 days after the Void Date.² Class Counsel shall also file with the report a proposed amended judgment that complies with C.C.P. § 384.5.

IT IS SO ORDERED, ADJUDGED, AND DECREED.

DATED: _____

Hon. Gregory Pulskamp
Kern County Superior Court Judge

² The report shall be in the form of a declaration from the Settlement Administrator and shall describe (i) the date the checks were mailed, (ii) the total number of checks mailed to class members, (iii) the average amount of those checks, (iv) the number of checks that remain uncashed, (v) the total value of those uncashed checks, (vi) the average amount of the uncashed checks, and (vii) the nature and date of the disposition of those unclaimed funds.

Stipulation of Settlement of Class Action (Alvarado) (with Exhibits)

Final Audit Report

2026-04-02

Created:	2026-04-02
By:	Navid Barahmand (navid@barahmandlaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAK59IFXuwwHh-t1VhEmMog1FNSiJtAaQB

"Stipulation of Settlement of Class Action (Alvarado) (with Exhibits)" History

-  Document created by Navid Barahmand (navid@barahmandlaw.com)
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-  Document emailed to Tim Prado (t.prado@me.com) for signature
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-  Email viewed by Tim Prado (t.prado@me.com)
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2026-04-02 - 5:11:48 PM GMT
-  Signer daniel.calderon.98@icloud.com entered name at signing as Daniel Alvarado
2026-04-02 - 5:18:28 PM GMT
-  Document e-signed by Daniel Alvarado (daniel.calderon.98@icloud.com)
Signature Date: 2026-04-02 - 5:18:30 PM GMT - Time Source: server
-  Agreement completed.
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