

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Settlement Agreement” or “Agreement”) is made by and between Plaintiff Alex Alvarado (“Plaintiff”) individually and on behalf of the Class (as defined below) and the State of California, and Defendant Discovery XT Employer LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant as “Parties,” or individually as “Party”.

A. DEFINITIONS.

1. “Action” means the lawsuit alleging wage and hour violations against Defendant captioned *Alvarado v. Discovery XT Employer LLC* initiated by Plaintiff on July 11, 2025, and pending in the Superior Court of the State of California, County of Kern (Case No. BCV-25-102585).
2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
3. “Administration Expenses Payment” means the amount that the Administrator will be paid to reimburse the Administrator for the costs and expenses incurred pursuant to the performance of its duties set forth herein.
4. “Class” means all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the Class Period.
5. “Class Counsel” means Justice Law Corporation.
6. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
7. “Class Data” means the Class Members’ identifying information in Defendant’s possession, including the Class Member’s: (a) full name; (b) last-known mailing address; (c) Social Security Number; and (d) number of Workweeks and PAGA Pay Periods.
8. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an PAGA Employee).
9. “Class Member Address Search” means the Administrator’s investigation and search for the Class Members’ mailing addresses using all the reasonably available sources, methods and means including, but not limited to, the National Change of Address Database (“NCOA”), skip traces, and direct contact by the Administrator with the Class Members.
10. “Class Notice” means the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval that will be mailed to the Class Members in English and Spanish in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

11. “Class Period” means the period from April 21, 2024, through July 27, 2026.
12. “Class Representative” means the named plaintiff in the operative complaint in the Action seeking Court approval to serve as the Class Representative.
13. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
14. “Court” means the Superior Court of California, County of Kern.
15. “Defendant” means Discovery XT Employer LLC, the named defendant of the Action.
16. “Defense Counsel” means Pettit Kohn Ingrassia Lutz & Dolin PC
17. “Effective Date” means the later of the following dates: (a) if no objection to the settlement is made, then no later than fourteen (14) calendar days after entry of the order granting final approval; (b) if an objection is made but no appeal filed, then no later than fourteen (14) calendar days after the running of the appeal period; or (c) if an appeal is filed, then no later than fourteen (14) calendar days after the Judgment becomes final and is no longer subject to appeal.
18. “Final Approval” means the Court’s order granting final approval of the Settlement.
19. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
20. “Gross Settlement Amount” means \$750,000 which is the total amount that Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, Administration Expenses Payment, Individual PAGA Payments, LWDA PAGA Payment, and Individual Class Payments.
21. “Individual Class Payment” means the Participating Class Members’ pro rata share of the Net Settlement Amount that will be calculated according to the number of Workweeks worked during the Class Period.
22. “Individual PAGA Payment” means the PAGA Employees’ pro rata share of thirty-five percent (35%) of the PAGA Penalties that will be calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
23. “Judgment” means the judgment entered by the Court based upon the Final Approval.
24. “LWDA” means the California Labor and Workforce Development Agency.
25. “LWDA PAGA Payment” means sixty-five percent (65%) of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (m).

26. “Net Settlement Amount” means the Gross Settlement Amount less the following payments in the amounts approved by the Court: (a) Class Counsel Fees Payment; (b) Class Counsel Litigation Expenses Payment; (c) Class Representative Service Payment; (d) Administration Expenses Payment; (e) Individual PAGA Payments; and (f) LWDA PAGA Payment. The remainder is to be paid to the Participating Class Members as their Individual Class Payments.
27. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
28. “PAGA” means the Private Attorneys General Act of 2004 (Labor Code section 2698, *et seq.*).
29. “PAGA Employee” means all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the PAGA Period.
30. “PAGA Notice” means the written notices sent to the LWDA and Defendant on April 21, 2025 and May 15, 2026 that collectively provide notice pursuant to Labor Code section 2699.3, subdivision (a).
31. “PAGA Pay Period” means any pay period during which an PAGA Employee worked for Defendant for at least one (1) day during the PAGA Period.
32. “PAGA Period” means the period from May 10, 2024, through July 27, 2026.
33. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to the PAGA Employees for the settlement of the PAGA claims.
34. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
35. “Plaintiff” means Alex Alvarado, the named plaintiff in the Action.
36. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
37. “Preliminary Approval Hearing” means the Court’s hearing on the Motion for Preliminary Approval of the Settlement.
38. “Released Class Claims” means the claims being released as described in Section E.2.
39. “Released PAGA Claims” means the claims being released as described in Section E.3.

40. “Released Parties” means Defendant and its parents, predecessors, successors, affiliates, subsidiaries, officers, directors, members, managers, agents, employees, financiers, stockholders, and alleged joint employers, including Paychex, Inc. Oasis Outsourcing, LLC, and any entity that owned or operated any property or facility at which Plaintiff or the Class Members were employed during the Class Period or the PAGA Period, and all of their respective parents, predecessors, successors, affiliates, subsidiaries, officers, directors, managers, members, agents, employees, and stockholders.
41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class portion of the Settlement signed by the Class Member.
42. “Response Deadline” means forty-five (45) calendar days after the Administrator mails Notice to the Class Members and shall be the last date on which the Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement; or (b) fax, email, or mail his or her Objection to the Settlement. The Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
43. “Settlement” means the disposition of the Action effected by this Settlement Agreement and Judgment.
44. “Workweek” means any week during which a Class Member worked for Defendant for at least one (1) day during the Class Period.

B. RECITALS.

1. On April 21, 2025, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code that Plaintiff contends were violated and the theories supporting the contentions.
2. On July 11, 2025, Plaintiff filed a representative PAGA action in the Superior Court of California, County of Kern, predicated on the alleged: (a) Failure to Pay Minimum and Overtime Wages; (b) Failure to Provide Meal Periods and Rest Breaks; (c) Failure to Timely Pay Wages During Employment; (d) Failure to Timely Pay Wages Upon Termination; (e) Failure to Provide Complete and Accurate Wage Statements; (f) Failure to Reimburse Business Expenses.
3. After engaging in discovery, investigations, and negotiation, on April 28, 2026, the Parties attended mediation with the mediator Jeffrey Fuchsman. While the Parties did not initially settle at mediation, continued negotiations with the mediator’s assistance resulted in the settlement of this matter via a mediator’s proposal, subject to the Court’s approval.
4. In line with the settlement, on May 15, 2026, Plaintiff provided an amended written notice to the LWDA and Defendant of the specific provisions of the Labor Code that Plaintiff contends were violated and the theories supporting the contentions.

5. Pursuant to the agreement, on May 28, 2026, Plaintiff filed a First Amended Complaint that alleged the following violations: (a) Labor Code sections 510 and 1198 (unpaid overtime); (b) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (c) Labor Code section 226.7 (unpaid rest period premiums); (d) Labor Code sections 1194 and 1197 (unpaid minimum wages); (e) Labor Code sections 201 and 202 (final wages not timely paid); (f) Labor Code section 226(a) (non-compliant wage statements); (g) Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (h) Business & Professions Code section 17200, *et seq.* (“Operative Complaint”).
6. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any liability for the causes of action alleged.
7. The Parties conducted investigation and discovery of the facts and law both before and after the Action was filed. Defendant produced documents relating to the policies, practices, and procedures regarding reimbursement of business expenses, paying non-exempt employees for all hours worked, and meal and rest breaks along with payroll, timekeeping, and operational policies. As part of Defendant’s production, Class Counsel reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Class Counsel to understand the number of Workweeks and PAGA Pay Periods. Class Counsel located and interviewed putative class members who worked for Defendant throughout the Class Period. The investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130.
8. The Court has not granted class certification.

C. MONETARY TERMS.

1. Gross Settlement Amount. Defendant promises to pay \$750,000 and no more as the Gross Settlement Amount and to separately pay all applicable employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any employer payroll taxes) prior to the deadline stated in Section D of this Settlement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring the Participating Class Members or PAGA Employees to submit a claim form as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount in the amounts specified by the Court in the Final Approval:
 - a. Class Counsel. The Class Counsel Fees Payment not to exceed \$262,500 (35% of the Gross Settlement Amount) and Class Counsel Litigation Expenses Payment not to exceed \$20,000.

- i. Plaintiff and/or Class Counsel will file a motion for the Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. Defendant will not oppose requests for these payments provided that do not exceed these amounts. If the Court approves the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount.
 - ii. The Released Parties shall have no liability to Class Counsel or any other Class Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment and holds Defendant harmless from any dispute or controversy regarding any division or sharing of any of these payments. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS Form 1099.
- b. Plaintiff. The Class Representative Service Payment not to exceed \$10,000 to Plaintiff.
 - i. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval of the Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing. Defendant will not oppose the request for the Class Representative Service Payment that does not exceed this amount. If the Court approves the Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.
 - ii. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
- c. Administrator. The Administration Expenses Payment not to exceed \$25,000 except for a showing of good cause and as approved by the Court.
 - i. To the extent that the Administration Expenses Payment is less or the Court approves payment of less than \$25,000, the Administrator will allocate the remainder to the Net Settlement Amount.
- d. LWDA and PAGA Employees. The PAGA Penalties not to exceed \$75,000 to be paid from the Gross Settlement Amount, sixty-five percent (65%) of which (\$48,750) will be allocated to the LWDA as the LWDA PAGA Payment and thirty-five percent (35%) of which (\$26,250) will be allocated to the PAGA Employees as their Individual PAGA Payments.

- i. An Individual PAGA Payment is calculated by: (a) dividing the amount of the thirty-five percent (35%) share of the PAGA Penalties (\$26,250) by the total number of PAGA Pay Periods worked by all PAGA Employees during the PAGA Period; and (b) multiplying the result by each PAGA Employee's PAGA Pay Periods during the PAGA Period.
 - ii. If the Court approves the PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.
 - iii. The Administrator will report the Individual PAGA Payments on IRS Form 1099. The PAGA Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
- e. Participating Class Members. An Individual Class Payment is calculated by: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all the Participating Class Members during the Class Period; and (b) multiplying the result by each Participating Class Member's Workweeks during the Class Period.
 - i. Twenty percent (20%) of Individual Class Payment will be allocated to the settlement of wage claims ("Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on IRS Form W-2. Eighty percent (80%) of Individual Class Payment will be allocated to the settlement of claims for penalties and interest ("Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS Form 1099. The Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments.
 - ii. The Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to the Participating Class Members on a pro rata basis.

D. SETTLEMENT FUNDING AND PAYMENTS.

1. Workweeks and PAGA Pay Periods. Based on a review of its records as of the date of mediation (April 28, 2026), Defendant estimates that there are 2,270 Class Members who worked a total of 93,000 Workweeks, and 2,270 PAGA Employees who worked a total of 45,858 PAGA Pay Periods.
2. Funding of the Gross Settlement Amount. No later than the Effective Date, Defendant shall fund the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments by transmitting the funds to the Administrator.

3. Payments from the Gross Settlement Amount. No later than fourteen (14) calendar days after Defendant funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the Administrator will mail checks to the appropriate entities and persons. Disbursement of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment shall not precede the disbursement of the Individual Class Payments and Individual PAGA Payments.
- a. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via first-class United States Postal Service (“USPS”) mail, postage prepaid. The face of each check shall state checks that are not cashed within one hundred eighty (180) calendar days after the date of mailing will be voided. The Administrator will cancel all the checks that are not cashed by the void date. The Administrator will send checks for the Individual Class Payments and Individual PAGA Payments to all the Participating Class Members and PAGA Employees, including the Non-Participating Class Members who qualify as PAGA Employees, respectively (including those for whom the Class Notices were returned undelivered). The Administrator may send the Participating Class Members a single check combining the Individual Class Payment and Individual PAGA Payment. Before mailing any checks, the Administrator must update the mailing addresses of the recipients using the NCOA.
 - b. The Administrator must conduct a Class Member Address Search for all the other Class Members whose checks are returned undelivered without USPS forwarding address. No later than seven (7) calendar days of receiving a returned check, the Administrator will remail the checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator shall send a replacement check to any Class Member whose original check was lost or misplaced if requested by the Class Member prior to the void date.
 - c. For any Class Member whose check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller’s Unclaimed Property Fund in the name of the Class Member, thereby leaving no “unpaid residue” subject to the requirements of Code of Civil Procedure section 384, subdivision (b).
 - d. The payment of the Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Settlement.

E. RELEASES OF CLAIMS. Effective on the date when Defendant funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

1. Plaintiff's Release. Plaintiff and Plaintiff's former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge the Released Parties from all the claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all the claims that were, or could have been, alleged based on the facts contained in the Operative Complaint; and (b) all the PAGA claims that were, or could have been, alleged based on facts contained in the PAGA Notice ("Plaintiff's Release").

- a. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law Plaintiff now knows or believes to be true. But Plaintiff agrees that Plaintiff's Release shall remain effective in all respects, notwithstanding such different or additional facts or the discovery of them.
- b. The Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, to any claims for vested benefits, unemployment benefits, disability benefits, or social security benefits, or to any claims for workers' compensation benefits that arose at any time.
- c. Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

2. Release by the Participating Class Members. All the Participating Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all the claims that were alleged, or could have been alleged, based on the facts contained in the Operative Complaint and that occurred during the Class Period, including, without limitation, claim for: (a) failure to pay overtime wages; (b) meal period violations; (c) rest break violations; (d) failure to pay minimum wages; (e) untimely pay final wages; (f) wage statement violations; (g) failure to reimburse business expenses; (h) failure to provide and properly pay sick days; and (i) unfair competition.
 - a. Except as set forth in Section E.3., the Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation or claims based on facts occurring outside the Class Period.

3. Release by the PAGA Employees. All the Participating and Non-Participating Class Members, who are PAGA Employees, and LWDA are deemed to release, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all the claims for the PAGA penalties that were alleged, or could have been alleged, based on the facts stated in the Operative Complaint and PAGA Notice and that occurred during the PAGA Period.

F. MOTION FOR PRELIMINARY APPROVAL. Class Counsel will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).

1. Plaintiff’s Responsibilities. Plaintiff will move for an order: (a) conditionally certifying the Class for settlement purposes only; (b) seeking Preliminary Approval of the Settlement; (c) setting a date for the Final Approval Hearing; and (d) approving the Class Notice.
 - a. The amounts of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment shall be determined by the Court, and the Court’s determination on these amounts shall be final and binding. The Court’s approval or denial of any amount requested for these items are not material conditions of this Agreement and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Agreement. Any order or proceeding relating to an application for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment shall not operate to terminate or cancel this Agreement.
 - b. Defendant agrees that it will not oppose the Motion for Preliminary Approval so long as the motion is consistent with the terms of the Settlement Agreement.
2. Responsibilities of Class Counsel. Class Counsel is responsible for: (a) expeditiously finalizing and filing the Motion for Preliminary Approval after the execution of this Agreement; (b) obtaining a prompt hearing date for the Motion for Preliminary Approval; and (c) appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Preliminary Approval to the Administrator.
3. Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Settlement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone or email, and in good faith, to modify the Settlement and satisfy the Court’s issues. If, despite the good faith efforts of Class and Defense Counsel, the Court declines to conditionally certify the Class or to Preliminarily Approve all material aspects of the Agreement with prejudice, the Agreement will be null and void, and the Parties will have no further obligations under the Agreement.

G. SETTLEMENT ADMINISTRATION.

1. Selection of the Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all the duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating the payroll tax withholdings and providing reports to state and federal tax authorities.
3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.
4. Notice to the Class Members.
 - a. No later than fourteen (14) calendar days after the Court grants Preliminary Approval, Defendant will deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted the Class Members' identifying information and to provide corrected or updated Class Data as soon as possible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use their best efforts, in good faith, to reconstruct or resolve any issues related to missing or omitted Class Data.
 - b. No later than three (3) business days after the receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of the Class Members, PAGA Employees, Workweeks, and PAGA Pay Periods in the Class Data.
 - c. Using best efforts to perform as soon as possible and no later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all the Class Members identified in the Class Data the Class Notice via first-class USPS mail. Before mailing the Class Notices, the Administrator shall update the Class Members' addresses using the NCOA.

- d. No later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained.
- e. If the Administrator, Defendant, or Class Counsel is contacted by or discovers any person who believe that they should have been included in the Class Data and should have received Class Notice, the Parties will meet and confer in person or by telephone or email, and in good faith, to agree on whether to include them as Class Members. If the Parties agree, such persons will be deemed Class Members entitled to the same rights as the other Class Members, and the Administrator will send these persons, via email or overnight delivery, a Class Notice requiring them to exercise their options under this Agreement no later than fourteen (14) calendar days after receipt of the Class Notice or deadlines set forth in the Class Notice, whichever date is later.

5. Requests for Exclusion from the Settlement.

- a. The Class Members who wish to exclude themselves from the Class portion of the Settlement must send the Administrator by fax, email, or mail a signed written Request for Exclusion no later than the Response Deadline.
- b. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's: (i) full name; (ii) present address; (iii) email address or telephone number; and (iv) simple statement electing to be excluded from the Settlement. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- c. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or susceptible to challenge.
- d. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member, will be entitled to all the benefits, and will be bound by all the terms and conditions of the Settlement, including the releases under Section E.2. and Section E.3. regardless of whether they receive the Class Notice or object to the Settlement.

- e. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the Class portion of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, the Participating and Non-Participating Class Members who are PAGA Employees are deemed to release the claims identified in Section E.3. and are eligible for an Individual PAGA Payment.

6. Challenges to Calculation of Workweeks and PAGA Pay Periods.

- a. Each Class Member shall have until the Response Deadline to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice.
- b. The Class Member may challenge the allocation of the Workweeks and PAGA Pay Periods (if any) by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and PAGA Pay Periods contained in the Class Notice are correct. The Administrator's determination of each Class Member's allocation of Workweeks and PAGA Pay Periods shall be final and not appealable or susceptible to challenge.
- c. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and PAGA Pay Periods to Defense Counsel and Class Counsel along with the Administrator's determination of the challenges.

7. Objections to the Settlement.

- a. A Participating Class Member who elects to send a written objection to the Administrator must do so no later than the Response Deadline.
- b. The Participating Class Members may send signed written objections to the Administrator by fax, email, or mail. The written objection must: (i) indicate what the Class Member is objecting to; (ii) explain why the Class Member is objecting; (iii) include any facts that support the objection; and (iv) include the Class Member's full name, present address, and email address or telephone number.
- c. Only the Participating Class Members may object to the Class portion of the Settlement, including contesting the fairness of the Settlement Agreement and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment.
- d. The Participating Class Members may choose to appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing.

8. Administrator's Duties. The Administrator has a duty to perform or observe all the tasks to be performed or observed by the Administrator contained in this Agreement.
- a. The Administrator will establish and maintain and use a website to post information of interest to the Class Members. This information includes the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, Preliminary Approval, Class Notice, Motion for Final Approval, Final Approval, and Judgment. The Administrator will also maintain and monitor an email address and toll-free telephone number to receive the Class Members' calls, faxes, and emails.
 - b. On a weekly basis, the Administrator must provide weekly written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: (i) Class Notices mailed or remailed; (ii) Class Notices returned undelivered; (iii) Requests for Exclusion (whether valid or invalid) received; (iv) objections received; and (v) challenges to Workweeks and/or PAGA Pay Periods received and/or resolved ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion.
 - c. The Administrator has the authority to address and make final decisions consistent with the terms of this Settlement on all the challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or susceptible to challenge. The Administrator will promptly review the Requests for Exclusion on a rolling basis to ascertain their validity.
 - d. The Administrator will provide to Class Counsel and Defense Counsel a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to: (i) mailing of the Class Notice; (ii) remailing of the Class Notices; (iii) attempts to locate the Class Members; (iv) total number of Requests for Exclusion received (both valid or invalid); and (v) total number of written objections received. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel are responsible for filing the Administrator's declaration(s) in Court.
 - e. The Administrator shall calculate the amount of the employer taxes due on the Wage Portion of the Individual Class Payments and promptly notify Defense Counsel so that payment can be sent to the Administrator by Defendant.
 - f. No later than ten (10) calendar days after the Administrator disburses all the funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement.

H. ESCALATOR CLAUSE. If it is determined that the number of Workweeks through the Class Period exceeds ten percent (10%) or more of 93,000 (*i.e.*, more than 102,300 Workweeks), then, at Defendant's election, either the: (1) Gross Settlement Amount shall increase proportionally over the ten percent (10%) increase (*i.e.*, if the number of Workweeks increases by 12%, the Gross Settlement Amount will increase by 2%); or (2) Class Period and PAGA Period will end on the date that the number of Workweeks reaches 102,300 Workweeks.

I. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified by the Administrator exceeds five percent (5%) of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever and that neither Party will have any further obligation to perform under this Settlement provided Defendant will remain responsible for paying all settlement administration costs incurred to that point. Defendant must notify Class Counsel and the Court of its selection to withdraw no later than seven (7) calendar days after the Administrator sends the final Weekly Report. A late election will have no effect.

J. MOTION FOR FINAL APPROVAL. No later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (s), Final Approval Order, and Judgment.

1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as ordered or accepted by the Court.
2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement, the Parties will expeditiously work together in good faith to address the Court's issues by revising the Agreement as necessary to obtain Final Approval. If the Court does not grant Final Approval of the Agreement, or if the Court's Final Approval is reversed or materially modified on appellate review, then the Parties will make a good faith effort to revise the terms of the Agreement. If that process fails, the settlement will be null and void. In such event, the Parties reserve their rights with respect to the prosecution and defense of the Action. Any disputes arising out of or relating to this Agreement will be submitted to the mediator for resolution. The Parties will split the costs of the mediator for any such time incurred by the mediator in reaching such resolution, and the Parties will bear their own attorneys' fees and other costs incurred.
3. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their counsel, and all the Participating Class Members who did not object to the Settlement as provided in this Settlement, waive all the rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings and all the rights to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Settlement will be suspended until such time as

the appeal is finally resolved and Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

4. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement, this Agreement shall be null and void. The Parties shall expeditiously work together in good faith to address the appellate court's issues and to obtain Final Approval and entry of Judgment sharing any additional settlement administration costs reasonably incurred after remittitur on a 50-50 basis.
5. Continuing Jurisdiction of the Court. The Parties agree that after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and Settlement solely for purposes of: (a) enforcing this Agreement and/or Judgment; (b) addressing settlement administration matters; and (c) addressing such post-Judgment matters as are permitted by law.

K. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together to jointly submit an amended judgment.

L. ADDITIONAL PROVISIONS.

1. Confidentiality Prior to Preliminary Approval. Until the Motion for Preliminary Approval is filed, Plaintiff, Class Counsel, Defendant, and Defense Counsel agree that they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (a) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (b) to counsel in a related matter; (c) to the extent necessary to report income to appropriate taxing authorities; (d) in response to a court order or subpoena; or (e) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to notify the other of any judicial or agency order, inquiry, or subpoena seeking such information. Until the Motion for Preliminary Approval is filed, Plaintiff, Class Counsel, Defendant, and Defense Counsel agree not to initiate any conversation or other communication with a third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This section does not restrict Class Counsel's communication with the Class Members in accordance with their ethical obligations owed to the Class Members.
2. No Admission. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted. Nothing in this Agreement should be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Agreement only. If the Court does not grant Preliminary Approval or Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all available defenses against the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. This Agreement and the Parties' willingness

to settle will have no bearing on and will not be admissible in connection with any litigation (except for proceedings to enforce or effectuate this Agreement).

3. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, in connection with other settlement negotiations, or in connection with the Settlement may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. No later than ninety (90) calendar days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all the settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement Agreement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. If the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement Agreement, or on any modification of the Settlement Agreement that may become necessary to implement the Settlement Agreement, the Parties will seek the assistance of the mediator and/or the Court for resolution.
5. Attorney Authorization. Class Counsel and Defense Counsel warrant and represent that they are authorized by Plaintiff and Defendant to take all the appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.
6. No Solicitation. The Parties agree that they and their counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this section shall be construed to restrict Class Counsel's ability to communicate with the Class Members in accordance with their ethical obligations owed to the Class Members.
7. No Prior Assignments. The Parties represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
8. Integrated Agreement. Upon execution by all the Parties and their counsel, this Agreement together with its attached exhibit shall constitute the entire agreement between the Parties relating to the Agreement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

9. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended).
10. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. If any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
11. Modification of this Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all the Parties or their representatives and approved by the Court.
12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis the Party was the drafter or participated in the drafting.
13. Applicable Law. All the terms and conditions of this Agreement and its exhibit will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.
14. Headings. The descriptive heading of any section of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
15. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
16. Notice. All the notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by U.S. mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: Douglas Han
Shunt Tatavos-Gharajeh
Christopher Peterson
Justice Law Corporation
751 North Fair Oaks Avenue, Suite 101
Pasadena, California 91103
(Tel) (818) 230-7502
(Fax) (818) 230-7259
dhan@JusticeLawCorp.com
statavos@JusticeLawCorp.com
cpetersen@JusticeLawCorp.com

To Defendant: Haley A. Murphy
 Thomas S. Ingrassia
 Pettit Kohn Ingrassia Lutz & Dolin LLC
 11622 El Camino Real, Suite 300
 San Diego, CA 92130
 (Tel) (858) 755-8500
 (Fax) (858) 755-8504
 hmunphy@pettitkohn.com
 tingrassia@pettitkohn.com

17. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (*e.g.*, DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
18. Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. Pursuant to Code of Civil Procedure section 583.330 and upon the signing of this Agreement, the Parties agree to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Dated: 06/26/2026

Alex Alvarado

By: 

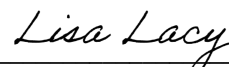
Dated: June 26, 2026

Justice Law Corporation [Approving as to Form Only]

By: 
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Christopher Petersen, Esq.
Attorneys for Plaintiff

Dated: 06/30/2026

Discovery XT Employer LLC

By: 
On behalf of Discovery XT Employer LLC

Dated: June 30, 2026

Pettit Kohn Ingrassia Lutz & Dolin LLC [Approving as to Form Only]

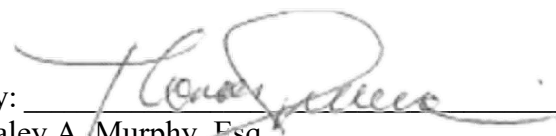
By: 
Haley A. Murphy, Esq.
Thomas S. Ingrassia, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Alvarado v. Discovery XT Employer LLC
(Case No. BCV-25-102585)

The Superior Court for the State of California authorized this Class Notice. Read it carefully! It's not junk mail, spam, advertisement, or solicitation by an attorney. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Defendant Discovery XT Employer LLC ("Defendant") for alleged wage and hour violations. Defendant denies all claims and maintains it has fully complied with the law. The Action was filed by Plaintiff Alex Alvarado ("Plaintiff"). The Action seeks payment of:

- (1) Unpaid wages for a class of all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from April 21, 2024, through July 27, 2026 ("Class," "Class Members," "Class Period"); and
- (2) Civil penalties under the Private Attorneys General Act of 2004 ("PAGA") for all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from May 10, 2024, through July 27, 2026 ("PAGA Employees" and "PAGA Period").

The settlement has two parts: (1) Class Settlement to fund Individual Class Payments; and (2) PAGA Settlement to fund Individual PAGA Payments.

Your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]. The actual amount you may receive likely will be different and will depend on several factors. If no amount is stated for your Individual PAGA Payment, then according to Defendant's records, you are not eligible for an Individual PAGA Payment under the settlement because you didn't work during the PAGA Period.

The above estimates are based on Defendant's records showing that you worked [REDACTED] Workweeks during the Class Period and worked [REDACTED] PAGA Pay Periods during the PAGA Period. If you believe that you worked more Workweeks or PAGA Pay Periods during either period, you can submit a challenge by the deadline date. See Section IV of this Class Notice.

The Court has already preliminarily approved the settlement and approved this Class Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. At the Final Approval Hearing, the Court will decide whether to finally approve the settlement and how much of the settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel").

If you worked for Defendant during the Class Period and/or PAGA Period, you have two (2) basic options under the settlement:

1. **Do Nothing.** You don't have to do anything to participate in the settlement and be eligible for an Individual Class Payment and/or Individual PAGA Payment. As a Participating Class Member, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.

2. **Opt Out of the Class Portion of the Settlement.** You can exclude yourself from the Class portion of the Settlement by submitting the written Request for Exclusion or notifying the Administrator in writing. If you opt out of the settlement, you will not receive an Individual Class Payment but will preserve your right to personally pursue Class Period wage claims against Defendant. If you are an PAGA Employee, you remain eligible for an Individual PAGA Payment. You cannot opt out of the PAGA portion of the settlement.

Defendant won't retaliate against you for any actions you take with respect to the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims and penalties against Defendant covered by this settlement (Released Claims).
You Can Opt Out of the Class Portion of the Settlement but not the PAGA Portion of the Settlement The Opt Out Deadline is 	If you don't want to fully participate in the settlement, you can opt out of the Class portion of the Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and will no longer be eligible for an Individual Class Payment. The Non-Participating Class Members cannot object to any portion of the settlement. See Section VI of this Class Notice. You cannot opt out of the PAGA portion of the settlement. Defendant must pay Individual PAGA Payments to all PAGA Employees, and the PAGA Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Portion of the Settlement but not the PAGA Portion of the Settlement Written Objections Must be Submitted by 	All the Class Members who do not opt out ("Participating Class Members") can object to any aspect of the settlement. The Court's decision whether to finally approve the settlement will include a determination of how much will be paid to Class Counsel and Plaintiff. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to the Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section VII of this Class Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on . You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person or by telephone. The Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section VIII of this Class Notice.

You Can Challenge the Calculation of Your Workweeks / PAGA Pay Periods Written Challenges Must be Submitted by 	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Workweeks you worked at least one (1) day during the Class Period and how many PAGA Pay Periods you worked at least one (1) day during the PAGA Period, respectively. The number of Workweeks and PAGA Pay Periods you worked according to Defendant's records is stated on the first page of this Class Notice. See Section IV of this Class Notice.
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I. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action alleges that Defendant violated California labor laws by failing to: (1) properly pay overtime wages; (2) provide meal period premiums; (3) provide rest period premiums; (4) properly pay minimum wages; (5) timely pay final wages; (6) provide compliant wage statements; (7) provide and properly pay sick days; (8) reimburse business expenses; and (9) comply with the requirements of Business & Professions Code section 17200. Plaintiff also asserted a claim for civil penalties under Labor Code section 2698 (PAGA). Plaintiff is represented by attorneys Douglas Han, Shunt Tatavos-Gharajeh, and Christopher Petersen of Justice Law Corporation.

Defendant denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

II. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has made no determination whether Plaintiff or Defendant is correct on the merits. In the meantime, the Parties hired an experienced, neutral mediator to resolve the Action by negotiating a settlement to the case rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful following a full day of mediation.

By signing the Class Action and PAGA Settlement Agreement ("Settlement Agreement," "Settlement," or "Agreement") and agreeing to jointly ask the Court to enter a judgment concluding the Action and enforcing the Settlement Agreement, the Parties negotiated a settlement that is subject to the Final Approval. Both sides agree that the settlement is a compromise of disputed claims. Defendant does not admit any violations or concede the merit of any claims.

The Court preliminarily approved the Settlement as fair, reasonable, and adequate, authorized the mailing of this Class Notice, and scheduled a hearing to determine Final Approval.

III. WHAT ARE THE IMPORTANT TERMS OF THE SETTLEMENT?

1. Defendant Will Pay a Gross Settlement Amount of \$750,000. Defendant agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, Administration Expenses Payment, Individual Class Payments, Individual PAGA Payments, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA").

- a. No later than the Effective Date, Defendant shall fund the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments by transmitting the funds to the Administrator. No later than fourteen (14) calendar days after Defendant funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the Administrator will mail checks to the appropriate entities and persons.
 - b. “Effective Date” means the later of the following dates: (i) if no objection to the settlement is made, then no later than fourteen (14) calendar days after entry of the order granting final approval; (ii) if an objection is made but no appeal filed, then no later than fourteen (14) calendar days after the running of the appeal period; or (iii) if an appeal is filed, then no later than fourteen (14) calendar days after the final judgment becomes final and is no longer subject to appeal.
2. Court Approved Deductions from the Gross Settlement Amount. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount:
 - a. Up to \$262,500 (35% of the Gross Settlement Amount) to Class Counsel as their Class Counsel Fees Payment and up to \$20,000 as their Class Counsel Litigation Expenses Payment. To date, Class Counsel have worked and incurred expenses on the Action without any payment.
 - b. Up to \$10,000 to Plaintiff as the Class Representative Service Payment for filing the Action, working with Class Counsel, and effectively representing the Class Members. The Class Representative Service Payment will be the only money that Plaintiff will receive other than the Individual Class Payment and any Individual PAGA Payment.
 - c. Up to \$25,000 to the Administrator as the Administration Expenses Payment for the services in administering the Settlement.
 - d. Up to \$75,000 as the PAGA Penalties, sixty-five percent (65%) of which (\$48,750) will be paid to the LWDA as the LWDA PAGA Payment and thirty-five percent (35%) of which (\$26,250) will be paid to the PAGA Employees as their Individual PAGA Payments based on their PAGA Pay Periods.
3. Net Settlement Amount Distributed to the Participating Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (“Net Settlement Amount”) by making Individual Class Payments to the Participating Class Members based on their Workweeks.

4. Taxes Owed on Payments to Class Members. The Parties are asking the Court to approve an allocation of twenty percent (20%) of each Individual Class Payment to taxable wages (“Wage Portion”) and eighty percent (80%) of each Individual Class Payment to penalties and interest (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS Form W-2. Defendant will separately pay employer payroll taxes owed on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Non-Wage Portions of the Individual Class Payments and Individual PAGA Payments on IRS Form 1099.
 - a. While the Parties agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the settlement.
5. Need to Promptly Cash the Checks. The face of each check shall state checks that are not cashed no later than one hundred eighty (180) calendar days after the date of mailing will be voided. The Administrator will cancel all checks not cashed by the void date. For any Class Member whose settlement check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller’s Unclaimed Property Fund in the name of the Class Member. If the monies represented by your check is sent to the California Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Portion of the Settlement. You will be treated as a Participating Class Member, participating fully in the Class portion of the Settlement, unless you notify the Administrator in writing that you wish to opt out. The Non-Participating Class Members will not receive Individual Class Payments but will preserve their right to personally pursue wage and hour claims against Defendant.
 - a. You cannot opt out of the PAGA portion of the Settlement. In other words, the Non-Participating Class Members remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the facts alleged in the Action during the PAGA Period.
7. Right to Object. The Participating Class Members have the right to object to the class portion of the Settlement, including the above-mentioned payments. The Court will consider all objections.
8. The Settlement Will be Void if the Court Denies Final Approval. It is possible that the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible that the Court will enter a Judgment that is reversed on appeal. The Parties agreed that, in either case, the Settlement will be void: (a) Defendant will not pay any money; and (b) Class Members will not release any claims against Defendant.

9. Administrator. The Court has appointed a neutral company ILYM Group, Inc. (“Administrator”) to send this Class Notice, calculate and make payments, and process the Requests for Exclusion. The Administrator will also decide the challenges over the Workweeks and/or PAGA Pay Periods, mail and remail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section IX of this Class Notice.
10. Release by the Participating Class Members. After Defendant has funded the Gross Settlement Amount and separately paid all employer payroll taxes, the Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. The Participating Class Members will be bound by the following release:
- a. All the Participating Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or could have been alleged, based on the facts contained in the Operative Complaint and that occurred during the Class Period, including, without limitation, claim for: (i) failure to pay overtime wages; (ii) meal period violations; (iii) rest break violations; (iv) failure to pay minimum wages; (v) untimely pay final wages; (vi) wage statement violations; (vii) failure to reimburse business expenses; (viii) failure to provide and properly pay sick days; and (ix) unfair competition.
 - b. Except as set forth in Section 11 below, the Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period
11. Release by the PAGA Employees. After Defendant has funded the Gross Settlement Amount and separately paid all employer payroll taxes, all the PAGA Employees will be barred from asserting PAGA claims against Defendant even if they exclude themselves from the class portion of the Settlement. The PAGA Employees will be bound by the following release:
- a. All the Participating and Non-Participating Class Members, who are PAGA Employees, and LWDA are deemed to release, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all the claims for the PAGA penalties that were alleged, or could have been alleged, based on the facts stated in the Operative Complaint and PAGA Notice and that occurred during the PAGA Period.

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate the Individual Class Payments by: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member during the Class Period.
2. Individual PAGA Payments. The Administrator will calculate the Individual PAGA Payments by: (a) dividing the thirty-five percent (35%) share of the PAGA Penalties (\$26,250) by the total number of PAGA Pay Periods worked by all PAGA Employees during the PAGA Period; and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Employee during the PAGA Period.
3. Workweek / PAGA Pay Period Challenges. The number of Workweeks you worked during the Class Period and number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated on the first page of this Class Notice. You have until [REDACTED] to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax. Section IX of this Class Notice has the Administrator's contact information.
 - a. You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or PAGA Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

V. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, via first-class United States Postal Service ("USPS") mail, postage prepaid, a single check to every Participating Class Member, including those who also qualify as PAGA Employees. The single check will combine the Individual Class Payment and Individual PAGA Payment (if any).
2. Non-Participating Class Members. The Administrator will send, via first-class USPS mail, postage prepaid, a single Individual PAGA Payment check to every PAGA Employee who is a Non-Participating Class Member.
3. **Your check will be sent to the same address as this Class Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section IX of this Class Notice has the Administrator's contact information.**

VI. HOW DO I OPT OUT OF THE CLASS PORTION OF THE SETTLEMENT?

Submit a written and signed letter with your full name, present address, email address or telephone number, and simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Alvarado v. Discovery XT Employer LLC* (Case No. BCV-25-102585), and include your identifying information (full name, present address, and email address or telephone number). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [REDACTED], or it will be deemed invalid. Section IX of the Class Notice has the Administrator's contact information.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only the Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the Agreement and Motion for Final Approval may wish to object. The deadline for sending written objections to the Administrator is [REDACTED]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Alvarado v. Discovery XT Employer LLC* (Case No. BCV-25-102585) and include your full name, present address, email address or telephone number, and signature. Section IX of this Class Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain an attorney to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section VIII of this Class Notice for specifics regarding the Final Approval Hearing.

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Division J of the Kern County Superior Court located at 1215 Truxtun Ave, Bakersfield, California 93301. At the Final Approval Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiff, and Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before deciding.

It's possible that the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

IX. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything the Parties have promised to do under the Settlement Agreement. The easiest way to read the Settlement Agreement, Judgment, or any other settlement document is to go to Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or Administrator using the contact information listed below.

Finally, you can consult the Court's website by going to <https://www.kern.courts.ca.gov/online-services/case-information-search> and entering the Case No. BCV-25-102585. By extension, you can also go to the Court in person at the address listed in Section VIII of this Class Notice and request copies of the court documents.

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

Class Counsel: Douglas Han
Shunt Tatavos-Gharajeh
Christopher Petersen
Justice Law Corporation
751 North Fair Oaks Ave., Suite 101
Pasadena, California 91103
(Tel) (818) 230-7502
(Fax) (818) 230-7259
ghan@JusticeLawCorp.com
statavos@JusticeLawCorp.com
cpetersen@JusticeLawCorp.com

Administrator: ILYM Group, Inc
[MAILING ADDRESS]
[TELEPHONE NUMBER]
[EMAIL]

X. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your check before cashing it, the Administrator will replace it if you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Controller's Unclaimed Property Fund at https://www.sco.ca.gov/search_upd.html for instructions on how to retrieve the funds.

XI. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or change your mailing address.

1 **PROOF OF SERVICE**
2 **1013A(3) CCP**

3 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

4 I am employed in the County of Los Angeles, State of California. I am over the age of 18
5 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101,
6 Pasadena, CA 91103 and my electronic service address is bitty@justicelawcorp.com

7 On August 24, 2026, I served the foregoing document described as

8 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

9 for the following case: **Alvarado v. Discovery XT Employer LLC.**
10 LWDA/Court Case No.: **LWDA Case No.: LWDA-CM-1093637-25**
11 **Court Case No.: BCV-25-102585**
Kern Superior Court

12 on interested parties in this action by electronically submitting as follows:

13 State of California

14 Labor & Workforce Development Agency

15 800 Capitol Mall, MIC-55

16 Sacramento, California 95814

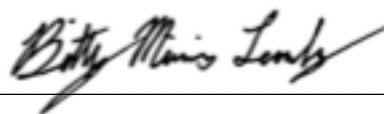
17 **[X] BY ELECTRONIC SUBMISSION**

18 Pursuant to California Senate Bill No. 836, I caused the documents described above to be
19 electronically submitted by and through the procedure stated on the website of the State
20 of California Labor and Workforce Development Agency.

21 **[X] STATE**

22 I declare under penalty of perjury under the laws of the State of California that the above
23 is true and correct.

24 Executed on August 24, 2026, at Pasadena, California.

25 

26 Bitty Minnis-Lemley