

CLASS AND COLLECTIVE ACTION AND PAGA SETTLEMENT AGREEMENT

This Class and Collective Action and PAGA Settlement Agreement (“Agreement”) is made by and between: **(1)** Plaintiff Martin Arcos (“Plaintiff”), individually and in his representative capacity on behalf of the Settlement Class, as defined below, and as a private attorney general on behalf of the State of California; and **(2)** Defendant Sweeping Corporation of America, LLC dba Pacific Sweeping (“SCA” or “Defendant”). This Agreement refers to Plaintiff and Defendant collectively as the “Parties,” or individually as “Party.” This Agreement is subject to the approval of the Court, pursuant to California Rules of Court, rule 3.769, subdivisions (c), (d), and (e), and is made for the sole purpose of attempting to consummate settlement of the action on a class-wide basis, subject to the following terms and conditions. If the Court does not enter an order granting final approval of this Agreement or the conditions precedent are not met for any reason, this Agreement is void and of no force or effect whatsoever.

1. DEFINITIONS

- 1.1. “Action” means the Plaintiff’s putative class action lawsuit against Defendant, captioned *Martin Arcos v. Sweeping Corporation of America, LLC dba Pacific Sweeping*, case number 37-2022-00037948-CU-OE-CTL, initiated on September 26, 2022, and pending in the Superior Court of the State of California for the County of San Diego, as amended.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement and related matters.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all individuals who are or were employed by SCA of CA, LLC, an affiliate of Defendant, and/or alleged to have been employed by Defendant, as non-exempt employees in California at any time during the PAGA Period. Defendant represents that as of October 2023, there are approximately 809 Aggrieved Employees that worked a total of approximately 49,277 pay periods during the PAGA Period.
- 1.5. “Applicable Wage Order” shall mean the California Industrial Welfare Commission (“IWC”) Wage Order which Plaintiff alleges is applicable to the facts of this case, including IWC Wage Order 4-2001 and others that may be applicable. (See Cal. Code of Regs., tit. 8, § 11040.)
- 1.6. “Class” means all individuals who are or were employed as non-exempt employees in California by SCA of CA, LLC, and/or alleged to have been employed by Defendant, during the Class Period. SCA of CA, LLC is the entity that employed

the Aggrieved Employees and Class Members. Through intermediaries, SCA of CA, LLC, and Sweeping Corporation of America, LLC, are both wholly owned subsidiaries of Sweep Midco LLC. Defendant represents that as of October 2023, the Class consists of approximately 809 Class Members that worked a total of approximately 55,774 workweeks during the Class Period.

- 1.7. “Class Counsel” means Jonathan Melmed and Meghan Higday of Melmed Law Group P.C.
- 1.8. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.9. “Class Data” means Class Member identifying information in Defendant’s possession, custody, or control, including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.10. “Class Member” or “Settlement 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 Aggrieved Employee) or, if such person is incompetent or deceased, the person’s legal guardian, executor, heir, or successor-in-interest.
- 1.11. “Class Notice” means the Court-approved *Notice of Proposed Class Action Settlement*, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement. This form will be mailed to Class Members along with the Share Form, as defined below.
- 1.12. “Class Period” means the period from September 26, 2018 through preliminary approval.
- 1.13. “Class Representative” means the named Plaintiff in the Operative Complaint in the Action, Martin Arcos, who is seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action, providing services, taking risks in support of the Action, and Plaintiff’s Released Claims.
- 1.15. “Complaint” shall mean the currently operative complaint in the Action.
- 1.16. “Court” means the Superior Court of the State of California for the County of San Diego.
- 1.17. “Defendant” means the named defendant in the Action, Sweeping Corporation of America, LLC dba Pacific Sweeping.

- 1.18. “Defense Counsel” means the attorneys representing Defendant, Jason Kearnaghan, Y. Douglas Yang, and Daniel Ganz of Sheppard Mullin Richter & Hampton LLP.
- 1.19. “Effective Date” means the date on which the Final Award becomes final. For purposes of this Section, the Final Award “becomes final” only after: (a) this Agreement has been executed by all Parties, Class Counsel, and Defense Counsel; (b) the Court has given preliminary approval to the Settlement; (c) notice has been given to the Class, providing Class Members an opportunity to request exclusion from the Settlement; and (d) the Court has held a Final Approval Hearing and grants the Motion for Final Approval and upon service of the Notice of Entry of Order and/or Final Judgment, and upon the latter of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Order Granting Final Approval and/or Final Judgment (this time period shall not be less than sixty (60) calendar days after the Court’s Order is entered); (ii) the date of affirmance of an appeal of the Order Granting Final Approval and/or Final Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval and/or Final Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval and/or Final Judgment.
- 1.20. “Employee’s Taxes and Required Withholding” shall mean the employee’s share of any and all applicable federal, state, or local payroll taxes, including those collected under authority of the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), and/or the State Unemployment Tax Act (SUTA) on the portion of any Participating Class Member’s Individual Class Payment that constitutes wages. The Employee’s Taxes and Required Withholdings will be withheld from and paid out of the Individual Class Payments paid from the Net Settlement Amount.
- 1.21. “Employer’s Taxes” means and refers to Defendant’s share of payroll taxes (e.g., Unemployment Insurance, Employment Training Tax, Social Security, and Medicare taxes) that is owed on the portion of any Participating Class Member’s Individual Class Payment that constitutes wages. The Employer’s Taxes shall be separately paid by Defendant and shall not be paid from the Gross Settlement Amount or the Net Settlement Amount.
- 1.22. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.23. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.24. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.25. “Gross Settlement Amount” and “GSA” mean the non-reversionary total gross amount of Five Hundred Thousand Dollars and Zero Cents (**\$500,000.00**), which

is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Employee's Taxes and Required Withholdings, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees of up to one-third of the GSA as approved by the Court, Class Counsel Expenses, the Class Representative Service Payment, and the Administrator's Expenses. Separately from the Gross Settlement Amount, Defendant agrees that SCA of CA, LLC will pay any required employer payroll taxes owed on the Wage Portions of the Individual Class Payments.

- 1.26. "Individual Class Payment" means the Participating Class Member's *pro rata* share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period, less any Employee's Taxes and Required Withholdings.
- 1.27. "Individual PAGA Payment" means the Aggrieved Employee's *pro rata* share of twenty-five percent (25%) of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.28. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.29. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.30. "LWDA PAGA Payment" means seventy-five percent (75%) of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.31. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.32. "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 in accordance with the terms of the Class Notice.
- 1.33. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for at least one day during the PAGA Period.
- 1.34. "PAGA Period" means the period from July 20, 2021, through preliminary approval.
- 1.35. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

- 1.36. “PAGA Notice” means Plaintiff’s letter(s) to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.37. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and 75% to the LWDA (\$37,500.00) in settlement of PAGA claims.
- 1.38. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.39. “Plaintiff” means Martin Arcos, the named Plaintiff in the Action.
- 1.40. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.41. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.42. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.43. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.44. “Released Parties” means Defendant and SCA of CA, LLC, and each of their past, present and future agents, employees, servants, officers, directors, managing agents, members, owners (whether direct or indirect), partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing agencies and employees thereof, common law employers, potential and alleged common law employers, dual employers, potential and alleged dual employers, co-employers, potential and alleged co-employers, contractors, affiliates (including, but not limited to Sweep Midco LLC, and any of their parents and subsidiaries), service providers, alter-egos, potential and alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past and present employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns.
- 1.45. “Releasing Parties” shall mean every Participating Class Member and all persons purporting to act on their behalf or purporting to assert a claim under or through them, including, but not limited to, their dependents, heirs, assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity.

- 1.46. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.47. “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which 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. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired. PAGA Settlement Class members shall not be eligible to opt out of the portion of the settlement allocated toward PAGA penalties.
- 1.48. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.49. “Share Form” means the *Class Action Settlement Share Form*, as set forth in the form of **Exhibit B** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class Members along with the Class Notice.
- 1.50. “Workweek” means any week during which a Class Member worked for at least one shift, during the Class Period.

2. RECITALS

- 2.1. On September 26, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for **(1)** failure to pay all minimum in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Order; **(2)** failure to pay split shift premiums in violation of Labor Code sections 1197 and 1198, and the Applicable Wage Order; **(3)** failure to pay all overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Order; **(4)** failure to pay accrued vacation wages in violation of Labor Code sections 201, 202, and 227.3; **(5)** failure to provide rest periods and pay missed rest period premiums in violation of Labor Code section 226.7 and the Applicable Wage Order; **(6)** failure to provide meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Order; **(7)** failure to maintain accurate employment records in violation of Labor Code section 1174; **(8)** failure to pay wages timely during employment in violation of Labor Code sections 204 and 210; **(9)** failure to pay all wages earned and unpaid at separation in violation of Labor Code sections 201, 202, and 203; **(10)** failure to indemnify all necessary business expenditures in violation of Labor Code sections 2802 and 2804; **(11)** failure to furnish accurate itemized wage statements in violation of Labor Code sections 226 and 226.3; and **(12)** violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210). On or about March 23, 2023, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant for those described in the original Complaint, and adding one cause of action for civil penalties pursuant to PAGA (Lab. Code §§ 2698–2699.6).

The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On October 9, 2023, the Parties participated in an all-day private mediation presided over by Jeffrey Krivis, which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, various documents and information that allowed both sides to evaluate the potential exposure and potential risk, including over a dozen telephonic conferences with Plaintiff, relevant policies, Plaintiff’s personnel file, Plaintiff’s payroll and time records, and a sampling of the time and pay records for the Class Members and Aggrieved Employees. Class Counsel’s informal discovery also included analysis of Defendant’s legal positions, investigation into the viability of class treatment of the claims asserted in the Complaint, analysis of potential class-wide damages, research of applicable law with respect to the claims asserted in the Complaint and the potential defenses thereto, and analysis of data for calculating damages. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129–130 (“*Dunk/Kullar*”).
- 2.5. The Parties agree that within 30 days after execution of this Agreement to enter into a joint stipulation to file Plaintiff’s Second Amended Complaint adding SCA of CA, LLC as a named defendant in this Action, and conforming the allegations and claims therein with the Released Class Claims and Released PAGA Claims. Upon filing of the Second Amended Complaint, the Second Amended Complaint shall become the Operative Complaint in the Action and therefore supersede the First Amended Complaint. The Parties further agree that within 30 days after execution of this Agreement, Plaintiff will file an amended PAGA Notice adding SCA of CA, LLC as a named defendant, and conforming the allegations and claims therein with the Released PAGA Claims.
- 2.6. The Court has not granted class certification. For the purposes of this Settlement Agreement and the Class Settlement of this Action only, the Parties agree to conditional class certification of the Settlement Class. Defense Counsel believes this conditional certification is appropriate because the Released Claims are being compromised without need to establish the elements of those claims on which liability turns. The certification of the Settlement Class shall not constitute, in any other proceeding, an admission of any kind by Defendant or SCA of CA, LLC, including without limitation, that certification of a class for trial purposes is or would be warranted, appropriate, or proper; or that Plaintiff could establish any of the requisite elements for class treatment of any of the claims in the Action. If the

Settlement Agreement is not finally approved by the Court, the Effective Date is not achieved, or the Class Settlement is rejected, terminated, or otherwise rendered null and void as set forth herein, then certification of the Settlement Class shall be automatically vacated, void *ab initio*, of no force or effect, and shall not constitute evidence or a binding determination that the requirements for certification of a class for trial purposes in this Action, or in any other action, have been, are, or can be satisfied. Further, if the Agreement does not reach the Effective Date, Plaintiff agrees that Plaintiff will not argue, claim, reference, or otherwise raise any preliminary approval of the Settlement Class in connection with any later proceeding before the Court.

- 2.7. The documents and data exchanged in this matter, as well as discussions between counsel, have been adequate to give the Class Representative and Class Counsel a sound understanding of the merits of their positions and to evaluate the value of the Class claims. The informal discovery conducted in this Action and the information exchanged by the Parties through pre-mediation discussions are sufficient to reliably assess the merits of the Parties' respective positions and to compromise the issues on a fair and equitable basis. The Class Representative and Class Counsel believe that the claims, causes of action, allegations, and contentions in the Action have merit. However, the Class Representative and Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action against Defendant and/or SCA of CA, LLC through trial and through appeals. Class Counsel has taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex actions such as this, the difficulties and delays inherent in such litigation, and the potential difficulty of obtaining certification and trying the Settlement Class claims. Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims alleged in the Action. The Class Representative and Class Counsel believe that the settlement set forth in this Agreement confers substantial benefits upon Plaintiff and the Class, and that an independent review of this Agreement by the Court in the approval process will confirm this conclusion. Based on their own independent investigation and evaluation, Class Counsel has determined that the settlement set forth in this Agreement is in the best interests of Plaintiff and the Class Members.
- 2.8. The Settlement set forth herein intends to achieve the following: (1) entry of an order approving the Settlement; (2) entry of judgment of the Action; (3) discharge of the Released Parties from liability for any and all of the Released Claims; and (4) discharge of Defendant and SCA of CA, LLC from liability for any and all claims arising out of the Action.
- 2.9. For purposes of this Agreement and subject to the Court's approval, the Parties agree to the appointment of Class Counsel as counsel for the Class and the effectuation of the Settlement pursuant to this Agreement.

3. MONETARY TERMS

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay the total gross amount of Five Hundred Thousand Dollars and Zero Cents (**\$500,000.00**) and no more as the Gross Settlement Amount and that SCA of CA, LLC will separately pay any and all required employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (and SCA of CA, LLC does not have any obligation to pay any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant or SCA of CA, LLC. The Gross Settlement Amount and other actions and forbearances taken by Defendant and/or SCA of CA, LLC shall constitute adequate consideration for the Class Settlement and will be made in full and final settlement of: the Released Claims, the Class Counsel Litigation Expenses and Fees Payments, Administration Expenses Payment, the Class Representative Service Payment, the PAGA Penalties (and any payments to individual Aggrieved Employees resulting from the PAGA Penalties), and any other obligation of Defendant under this Agreement (other than the Employer's Taxes on the portion of the Net Settlement Amount allocated to the payment of wages).
- 3.2. 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:
 - 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$7,500.00 for Plaintiff (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member) as consideration for Plaintiff's Released Claims and to acknowledge his efforts on behalf of the Settlement Class in this Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents to Class Counsel. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Final Approval, Plaintiff will request Court approval for any Class Representative Service Payment no later than fifteen (15) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. Any Class Representative Service Payment approved by the Court shall not be considered wages, and 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.

- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$166,666.67, and a Class Counsel Litigation Expenses Payment up to \$20,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. As part of the motion for Final Approval, Plaintiff and/or Class Counsel will file for Court approval for any Class Counsel Fees Payment and Class Litigation Expenses Payment no later than fifteen (15) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Any Class Counsel Fees and Litigation Expenses Payment awarded by the Court shall not constitute payment to any Class Members. Court approval of a Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment lower than the applicable amount above is not grounds to challenge/void this Agreement. Released Parties shall have no liability to Class Counsel or any other Plaintiff's counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant and SCA of CA, LLC harmless, and indemnifies Defendant and SCA of CA, LLC, from any dispute or controversy regarding any division or sharing of any of these payments. The Class Counsel Fees and Litigation Expenses Payment approved by the Court shall reflect: **(a)** all work performed and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the Settlement Class through the date of the Settlement Agreement; **(b)** all work to be performed and costs to be incurred in connection with approval by the Court of the Class Settlement; **(c)** all work to be performed and costs and expenses, if any, incurred in connection with administering the Class Settlement through the Effective Date and dismissal of the Action with prejudice; and **(d)** may be based on the "catalyst theory" and/or the "common fund doctrine."
- 3.2.3. To the Administrator: An Administrator Expenses Payment in connection with its administration of the Settlement, including, but not limited to, providing the Class Notice, locating Class Members, processing opt out requests and objections, distributing the portion of the PAGA Penalties payable to the LWDA, distributing the portion of the PAGA Penalties payable to the Aggrieved Employees, and administering and distributing Individual Class Payments and related tax forms to the Participating Class Members, that is not to exceed \$15,950.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$15,950.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated 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 each Participating Class Member's Workweeks. Defendant will provide the Administrator with any information reasonably necessary to perform the calculation of number of Workweeks for each Class Member, and any other reasonably required information the Administrator requests to perform the calculations required under this Agreement. Defendant and SCA of CA, LLC shall have no responsibility for deciding the validity of the Individual Class Payments or any other payments made pursuant to this Agreement, shall have no involvement in or responsibility for the determination or payment of Employee's Taxes and Required Withholding, and shall have no liability for any errors made with respect to such Employee's Taxes and Required Withholding. Although the Administrator will calculate and pay the standard Employee's Taxes and Required Withholding on the portion of the Individual Class Payment constituting wages on their behalf, Plaintiff and Participating Class Members represent and understand that they shall be solely responsible for any and all tax obligation associated with their respective Individual Class Payment and Class Representative Service Payment.

3.2.4.1. Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. Eighty percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for penalties and interest (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Prior to final distribution, the Administrator shall calculate the total Employees' Taxes and Required Withholding due as a result of the Wage Portion of Participating Class Members' Individual Class Payments and such amount will be deducted from the Net Settlement Amount. Additionally, prior to the funding of the Gross Settlement Amount and final distribution, the Settlement Administrator shall calculate the total employer taxes due on the wage portion of the Participating Class Members' Individual Class Payments and issue instructions to Defendant and SCA of CA, LLC to separately fund these tax obligations/withholdings. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. 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 Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties shall consist of the penalties pursuant to PAGA that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims in the Action, in the amount of \$50,000.00 to be paid from the Gross Settlement Amount. The PAGA Penalties must be approved by the Court pursuant to Labor Code section 2699 and are to be distributed as follows: seventy-five percent (75%), or \$37,500.00, allocated to the LWDA PAGA Payment and twenty-five percent (25%), or \$12,500.00, allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by **(a)** dividing the amount of the Aggrieved Employees' twenty-five percent (25%) share of PAGA Penalties \$12,500.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and **(b)** multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Individual PAGA Payments shall be treated as payments owing for penalties and interest thereon and shall not be considered wages. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Each Aggrieved Employee, including Plaintiff, shall be responsible for the payment of the Employee's Taxes and Required Withholding with respect to their share of the PAGA Penalties and shall hold Defendant and SCA of CA, LLC harmless from any and all liability with regard thereto.

3.2.5.3. Defendant will provide the Administrator with any information reasonably necessary to perform the calculation of number of pay periods worked for each Aggrieved Employee, and any other reasonably required information the Administrator requests to perform the calculations required under this Agreement. Defendant and SCA of CA, LLC shall have no responsibility for deciding the validity of the individual payment amounts allocated to each Aggrieved Employee or any other payments made pursuant to this Agreement, shall have no involvement in or responsibility for the determination or payment of Employee's Taxes and Required Withholding, and shall have no liability for any errors made with respect to such Employee's Taxes and Required Withholding. The

Aggrieved Employees shall be solely responsible for any and all tax obligations associated with their respective shares of the PAGA Penalties.

- 3.3. No Effect on Employee Benefit Plans. Neither the Settlement nor any amounts paid under the Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendant or SCA of CA, LLC. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant or SCA of CA, LLC's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Agreement shall not be applied retroactively, currently, or on an ongoing basis as salary, earnings, wages, or any other form of compensation for the purposes of Defendant or SCA of CA, LLC's benefit plans, policies, or bonus programs. Defendant and SCA of CA, LLC retain the right to modify the language of their benefits plans, policies, and bonus programs to reflect this intent and to make clear that any amounts paid pursuant to this Agreement are not for "weeks worked," "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Agreement. Defendant and SCA of CA, LLC do not consider the Settlement payments "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by Defendant or SCA of CA, LLC.

4. SETTLEMENT FUNDING AND PAYMENTS

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of records in its possession, custody, or control, Defendant estimates there are 809 Class Members who collectively worked a total of 55,774 Workweeks, and 809 Aggrieved Employees who worked a total 49,277 of PAGA Pay Periods as of October 3, 2023.
- 4.2. Class Data. No later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, 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 class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. 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 best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also ensure that SCA of CA, LLC funds the amounts necessary to fully pay the employer share of payroll taxes, by effectuating transmittal of the funds to the Administrator no later than fourteen (14) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall occur on the same day as disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.4.1. The Administrator shall make every effort to pay the Employee's Taxes and Required Withholding associated with each Participating Class Member's Individual Class Payment and mail the Individual Class Payment to each Participating Class Member, by first-class United States mail, to the last-known address no later than fourteen (14) days after the Effective Date. If the Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel and Defense Counsel and provide an approximate date by which the Employee's Taxes and Required Withholding shall be paid and the Individual Class Payment will be mailed. Under no circumstances shall the Administrator distribute checks to Participating Class Members until all Individual Class Payments have been considered, calculated, and accounted for, and until all remaining monetary obligations have been calculated and accounted for.
- 4.4.2. Within two hundred ten (210) days of mailing the Individual Class Payments to Participating Class Members, the Administrator shall file with the Court and provide to Class Counsel a declaration of payment. If any Participating Class Member is deceased, payment shall be made payable to the estate of that Class Member and delivered to the executor or administrator of that estate, unless the Administrator has received an affidavit or declaration pursuant to California Probate Code section 13101, in which case payment shall be made to the affiant(s) or declarant(s).
- 4.4.3. 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 U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than one hundred eighty (180) days after the date of mailing) when the check will be voided. The back of each check shall state, immediately below the space where the check is to be endorsed by the payee: "By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the

Notice of Proposed Class Action Settlement and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.” The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients’ mailing addresses using the National Change of Address Database.

- 4.4.4. The Administrator must conduct a skip trace for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the skip trace. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.5. For any Class Member whose Individual Class Payment check or Individual PAGA Payment 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 and/or Aggrieved Employee thereby leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.6. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and SCA of CA, LLC funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Releasing Parties will release claims against all Released Parties as follows:

Plaintiff’s Release. As a condition of receiving any portion of the Class Representative Service Payment, Plaintiff, in his individual capacity and on behalf of all persons purporting to act on his behalf or purporting to assert a claim under or through him

(including, but not limited to, his dependents, heirs, assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity) fully and finally releases the Released Parties of any and all claims, liabilities, causes of actions, charges, complaints, obligations, costs, losses, damages, injuries, attorneys' fees, and other legal responsibilities, of any form whatsoever, whether known or unknown, unforeseen, unanticipated, unsuspected, or latent, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to his alleged employment with SCA of CA, LLC and/or Defendant and his compensation while an alleged employee of SCA of CA, LLC and/or Defendant, which Plaintiff or his heirs, administrators, executors, successors in interest, and/or assigns have incurred or expect to incur, or now own or hold, or have at any time heretofore owned or held, or may at any time own, hold, or claim to hold by reason of any matter or thing arising from any cause prior to the date of Plaintiff's execution of this Agreement. ("Plaintiff's Released Claims"). Plaintiff also acknowledges and agrees that he is a Participating Class Member and therefore also releases the Released Class Claims and Released PAGA Claims as of the date of preliminary approval pursuant to Sections 5.2 and 5.3 of this Agreement.

Plaintiff's Released Claims include, but are not limited to, all claims asserted in the Action, as amended, and/or arising from or related to the Action, as amended, or the PAGA letter sent to the LWDA on Plaintiff's behalf, as amended. Plaintiff's Released Claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, prevailing wages, accrued vacation wages, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed/short/late/interrupted meal period, rest period, recovery period, and/or split shift wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, recovery period, and/or split shift premiums; reimbursement for all necessary business expenditures; payment for all hours worked, including off-the-clock work; failure to furnish accurate itemized wage statements; deductions; failure to maintain accurate employment records; failure to pay wages timely during employment; failure to pay all wages earned and unpaid at separation; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's Released Claims include all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.3, 201.5, 201.6, 201.7, 201.8, 201.9, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 1198.5, 1199, 1720 *et seq.*, 1770 *et seq.*, 1810 *et seq.*, 2698 *et seq.*, 2699 *et seq.*, 2802, and 2804); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA") (to include, but not limited to, acting as a PAGA representative); California Business and Professions Code sections 17200 *et seq.*; the California Civil Code, to include but not limited to,

sections 3287, 3289, 3336 and 3294; 12 CCR section 11040; 8 CCR sections 11040 and 11060; California Code of Civil Procedure section 1021.5; the California common law of contract; the Fair Labor Standards Act (“FLSA”), 29 U.S.C. sections 201 *et seq.*; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. section 1001 *et seq.* (“ERISA”).

The Released Parties dispute such claims and have a good faith basis for believing those claims are invalid (a bona fide dispute exists), and as detailed in this Agreement, Plaintiff accepts the Class Representative Service Payment, and any consideration he is entitled to as a Participating Class Member via this Agreement, as consideration for the release of any and all undisputed claims and as a compromise and release for any and all disputed claims. Plaintiff acknowledges the payment of this compensation constitutes ample consideration, the sufficiency of which is hereby acknowledged, for Plaintiff’s promises in this Agreement.

Without limiting the generality of the foregoing, and by way of example only, Plaintiff’s Released Claims extends to any and all claims including, but not limited to, any alleged (a) violation of the National Labor Relations Act, Title VII of the Civil Rights Act, the California Fair Employment and Housing Act, the Americans With Disabilities Act of 1990, the Federal Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990, the California Equal Pay Act, the California Fair Pay Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the California Family Rights Act, the Employee Retirement Income Security Act (excluding vested benefits), the California Unfair Business Practices Act/Unfair Competition Law, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, and any state law equivalent; (b) harassment, discrimination and/or retaliation, or failure to prevent the same, on the basis of age, race, color, ancestry, national origin (including language use restrictions), citizenship, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), marital status, domestic partnership status, sexual orientation, gender, gender identity or gender expression, veteran status, military status, political affiliation, failure to accommodate a disability, failure to engage in the interactive process, family care or medical leave status or the denial of family and medical care leave, physical or mental disability (including HIV and AIDS), medical condition (including cancer and genetic characteristics), genetic information or any other basis protected by applicable federal, state and/or local laws, regulations, rules, ordinances and/or orders, failure to pay wages due or other monies owed; (c) any whistleblower or retaliation claims on the basis of any protected activity or other protected basis; (d) breach of any express or implied promise, contract or agreement (express or implied), or breach of the implied covenant of good faith and fair dealing; (e) any tort or common law claims, including wrongful discharge, intentional or negligent infliction of emotional distress, negligence, fraud, misrepresentation, defamation, libel, slander, interference with prospective economic advantage, or other tort or common law actions; (f) claims for misclassification, wage and hour, or other claims related to hours, conditions, or compensation related to work; and (g) any other violation of local, state, or federal law, constitution, statute, regulation or

ordinance, public policy, contract, or tort or common law claim, whether for legal or equitable relief, having any bearing whatsoever on the terms and conditions of employment, or association or working relationship, with any of the Released Parties arising from conduct at SCA and/or Defendant, including but not limited to any allegations for penalties, interest, costs and fees, including attorneys' fees, incurred in any of these matters, which Plaintiff ever had, now has, or may have as of the date of this Agreement. All such claims, liabilities or causes of action (including, without limitation, claims for related attorneys' fees and costs) are forever barred by this Agreement regardless of the forum in which they may be brought. The Parties intend for this release to be as broad as possible. This Agreement and release applies to persons who are not signatories to the Agreement.

This release excludes the release of claims not permitted by law. Plaintiff's Released Claims does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time.

Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's release as described herein shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

To the maximum extent permitted by law, and with the exception of the instant Action, Plaintiff waives and/or hereby abandons any right or ability to be a class, collective action or PAGA representative, or to otherwise knowingly and voluntarily participate in any putative or certified class, collective, representative, or multi-party action or proceedings that cover the released claims as defined in this paragraph against the Released Parties.

Notwithstanding the foregoing, Plaintiff does not waive or release any claim which cannot be waived or released by private agreement. Further, nothing in this Agreement shall prevent Plaintiff from filing a charge or complaint with, or from participating in, an investigation or proceeding conducted by the Securities and Exchange Commission ("SEC"), the Occupational Safety and Health Administration ("OSHA"), the Equal Employment Opportunity Commission ("EEOC"), the California Civil Rights Department ("CRD"), the National Labor Relations Board ("NLRB") or any other federal, state or local agency charged with the enforcement of any employment or other applicable laws. Plaintiff, however, understands that by signing this Agreement, Plaintiff waives the right to recover any damages or to receive other relief in any claim or suit brought by or through the SEC, OSHA, EEOC, CRD, NLRB or any other federal, state or local agency on Plaintiff's behalf directly from the Released Parties to the fullest extent permitted by law, but expressly excluding any monetary award or other relief available, including a whistleblower award, or other awards or relief that may not lawfully be waived.

- 5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. Plaintiff specifically acknowledges that he is aware of and familiar with the provisions of California Civil Code section 1542. Plaintiff's Released

Claims include all claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those that he now knows or believes to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights and benefits of section 1542 of the California 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.”

- 5.2. Release by Participating Class Members: The Releasing Parties will fully and finally release the Released Parties (which as defined above specifically includes Defendant and SCA of CA, LLC, among other entities) from any and all Released Class Claims. The “Released Class Claims” include all claims asserted in the Action, as amended, and/or arising from or related to the facts and claims alleged in the Action, as amended, or the PAGA letter(s) sent to the LWDA on Plaintiff's behalf, as amended, or that could have been raised in the Action, as amended, or the PAGA letter(s) sent to the LWDA (as amended) on Plaintiff's behalf based on the facts and claims alleged. The Released Class Claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, prevailing wages, accrued vacation wages, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed/short/late/interrupted meal period, rest period, recovery period, and/or split shift wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, recovery period, and/or split shift premiums; reimbursement for all necessary business expenditures; payment for all hours worked, including off-the-clock work; failure to furnish accurate itemized wage statements; deductions; failure to maintain accurate employment records; failure to pay wages timely during employment; failure to pay all wages earned and unpaid at separation; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. The Released Class Claims include all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.3, 201.5, 201.6, 201.7, 201.8, 201.9, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 1198.5, 1199, 1720 *et seq.*, 1770 *et seq.*, 1810 *et seq.*, 2698 *et seq.*, 2699 *et seq.*, 2802, and 2804); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 (“PAGA”); California Business and Professions Code sections 17200 *et seq.*; the California Civil Code, to include but not limited to, sections 3287, 3289, 3336 and 3294; 12 CCR section 11040; 8 CCR sections 11040 and 11060; California

Code of Civil Procedure section 1021.5; the California common law of contract; the Fair Labor Standards Act (“FLSA”), 29 U.S.C. sections 201 *et seq.*; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. section 1001 *et seq.* (“ERISA”). This release excludes the release of claims not permitted by law.

- 5.2.1. The parties agree that upon final approval of the settlement, Participating Class Members are precluded from filing a wage and hour action under the FLSA against the Released Parties for claims and/or causes of action encompassed by the Released Class Claims which are extinguished and precluded pursuant to the holding in *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (2018). Participating Class Members who timely cash or otherwise negotiate their settlement payment check will be deemed to have opted into the Action for purposes of the FLSA and, as to those Class Members, the Released Class Claims include any and all claims the Class Members may have under the FLSA asserted in the Action, arising from or related to the facts and claims alleged in the Action, or that could have been alleged in the Actions based on the facts and claims alleged in the Action, as amended, during the Class Period. Only those Class Members who timely cash or otherwise negotiate their settlement payment check will be deemed to have opted into the Action for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims.
- 5.2.2. The following language will be printed on the reverse of each settlement payment check, or words to this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Proposed Class Action Settlement and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.”
- 5.3. Release by Aggrieved Employees: All Aggrieved Employees, including Non-Participating Class Members, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties under PAGA asserted in the Action, as amended, and/or arising from or related to the facts and claims alleged in the Action, as amended, or the PAGA letter(s) sent to the LWDA on Plaintiff’s behalf, as amended, or that could have been raised in the Action, as amended, or the PAGA letter(s) sent to the LWDA on Plaintiff’s behalf based on the facts and claims alleged, as amended. The Released PAGA Claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, prevailing wages, accrued vacation wages, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed/short/late/interrupted meal period, rest period, recovery period, and/or split shift wages/premiums; failure to provide meal periods;

failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, recovery period, and/or split shift premiums; reimbursement for all necessary business expenditures; payment for all hours worked, including off-the-clock work; failure to furnish accurate itemized wage statements; deductions; failure to maintain accurate employment records; failure to pay wages timely during employment; failure to pay all wages earned and unpaid at separation; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. The Released PAGA Claims include all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.3, 201.5, 201.6, 201.7, 201.8, 201.9, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 1198.5, 1199, 1720 *et seq.*, 1770 *et seq.*, 1810 *et seq.*, 2698 *et seq.*, 2699 *et seq.*, 2802, and 2804); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code sections 17200 *et seq.*; the California Civil Code, to include but not limited to, sections 3287, 3289, 3336 and 3294; 12 CCR section 11040; 8 CCR sections 11040 and 11060; and California Code of Civil Procedure section 1021.5.

6. MOTION FOR PRELIMINARY APPROVAL

Plaintiff agrees to prepare and file Plaintiff's Motion for Preliminary Approval ("Motion for Preliminary Approval").

- 6.1. Defendant's Declaration in Support of Preliminary Approval. Within seven (7) days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator, if any such conflict or potential conflict exists.
- 6.2. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (iv) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to

any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from the lead attorney at each Class Counsel firm attesting to their competency to represent the Class Members; their timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. Plaintiff will make best efforts to deliver all documents necessary for obtaining Preliminary Approval to Defendant as soon as practicable after execution of this Settlement Agreement, such that Defendant shall have no less than three (3) business days to review all documents.

- 6.3. Responsibilities of Counsel. Class Counsel will use best efforts to expeditiously finalize and file the Motion for Preliminary Approval no later than sixty (60) days after the full execution of this Agreement. Class Counsel shall apply to the Court for the entry of a preliminary order scheduling a hearing on the question of whether the proposed Class Settlement should be approved as fair, reasonable, and adequate as to the Class Members, thereby approving as to form and content the proposed Class Notice and Share Form—attached hereto as **Exhibit A** and **Exhibit B** respectively—and directing the mailing of the Class Notice to Class Members. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.
- 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION

- 7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc., to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc., agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. 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.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
- 7.4.1. Within fifteen (15) days after the Preliminary Approval Date, Defendant shall provide the Administrator with an updated list of Class Members and Aggrieved Employees, containing names, social security numbers, dates of employment, last-known addresses, and phone numbers, to the extent known to Defendant (the “Class Data”). The Class Data shall be marked “Confidential—Settlement Administrator’s Eyes Only.” Class Counsel shall not receive a copy of this list.
- 7.4.2. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
- 7.4.3. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will determine the number of workweeks worked by each Class Member, populate the data for each Class Member accordingly, and send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as **Exhibit A**. The Class Notice shall also contain an easily understood statement alerting the Class members that, unless they elect to opt out of the Class Settlement, the Class Member is releasing and waiving all Released Claims against the Released Parties. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.4. Not 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 skip trace, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.5. The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be

extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

- 7.4.6. If the Administrator, Defendant, or Class Counsel are contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5. Requests for Exclusion (Opt-Outs).

- 7.5.1. Class Members who do not timely opt out of the Settlement will be deemed to participate in the Settlement and shall become Participating Class Members without having to submit a claim form or take any other action. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion must state the Class member's name, address, telephone number, and signature and should state something to the effect of: "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *MARTIN ARCOS V. SWEEPING CORPORATION OF AMERICA, LLC DBA PACIFIC SWEEPING* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT HAVE." To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2. It will be presumed that, if an envelope containing the Class Notice has not been returned within thirty (30) days of the mailing, the Class Member received the Class Notice. At least twenty-one (21) days prior to the Final Approval and Fairness Hearing, the Administrator shall provide Class Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall specify the number of Class Members to whom the Class Notice was sent and the number of Class Members to whom the Class Notice was not delivered, as well as

information relating to the number of Requests for Exclusion and objectors. Class Counsel shall file this declaration with the Court.

- 7.5.3. If the Administrator determines that a Request for Exclusion returned by a Class Member before the Response Deadline is deficient, then the Administrator shall mail a deficiency letter to that Class Member identifying the problem. If the Class Member fails to cure the deficiency, the Request for Exclusion shall be disregarded, the claim will be paid, and the Class Member will be bound by the judgment.
- 7.5.4. 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. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. 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 otherwise susceptible to challenge.
- 7.5.5. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.6. 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 action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.
- 7.5.7. A Request for Exclusion from the Settlement shall **not** serve to exclude the Class Member from their individual PAGA Penalty payment. Class Members who submit Requests for Exclusion from the Settlement shall still be entitled to their share of the PAGA Penalty payment. Class Members who are also Aggrieved Employees shall have no right or ability to opt out of the portion of this Settlement Agreement releasing PAGA claims.

7.6. Challenges to Calculation of Workweeks. Class Member Workweeks and the corresponding Individual Class Payments shall be calculated using SCA of CA, LLC's employment and payroll records, which shall be presumptively deemed full, complete, and accurate for purposes of this Agreement. To overcome that presumption, any Class Member objecting to the accuracy of the number of Workweeks or amount of the Individual Class Payment must submit documentary evidence, such as pay stubs or other written employment records, to the Administrator. Each Class Member may dispute the number of Workweeks or their estimated Individual Class Payment contained on their Class Notice ("Workweeks Dispute"). Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator shall immediately provide copies of any such Workweeks Disputes to Defense Counsel, shall inform Class Counsel of the dispute without disclosing the identity of the Class Member making the dispute, and shall immediately attempt to resolve all such disputes directly with relevant Class Members with the assistance of Defendant, Defense Counsel, and Class Counsel. The Administrator will jointly work with Class Counsel and Defense Counsel to resolve the dispute in good faith. If Class Counsel and Defense Counsel cannot agree on the workweeks to be credited, the Settlement Administrator shall make the final decision based on the information presented by the Class Member and Defendant. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel, as well as the Administrator's determination of the challenges. The Administrator shall use its best efforts to resolve all such disputes prior to the Effective Date. If, however, a dispute arises or is not resolved until after the Settlement Amount has been distributed, the initial calculation shall stand (as Defendant shall be under no obligation to pay any amounts in excess of the Gross Settlement Amount under this Agreement).

7.7. Objections to Settlement.

7.7.1. The Class Notice shall inform Class Members of their right to object to the Settlement if they do not opt out.

7.7.2. Any Participating Class Member who wishes to object to the Settlement—including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment—may submit a written objection to the Administrator no later than the Response Deadline. Only Participating Class Members may object to the Settlement.

- 7.7.3. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. The objection should include the case name and number and must set forth, in clear and concise terms, a statement of the reasons why the objector believes that the Court should find that the proposed Settlement is not in the best interest of the Class Members and the reasons why the Settlement should not be approved, including the legal and factual arguments supporting the objection. In addition, or in the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. The Administrator will promptly serve copies of any objection or notice of intention to appear on Class Counsel and Defense Counsel. Class Members wishing to make an objection may appear at the Final Approval Hearing, either in person or through a lawyer retained at their own expense. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).
- 7.7.4. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.
- 7.8. Notice of Final Judgment. Within seven (7) days after the Court has held a Final Approval Hearing and entered a final order certifying the Class for settlement purposes only and approving the Settlement, the Administrator will give notice of judgment to Class Members pursuant to rule 3.771(b) of the California Rules of Court, by posting a copy of said order and final judgment on its website at a web address to be included in the Class Notice.
- 7.9. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
- 7.9.1. Class Notice and Share Form: The Administrator will be responsible for mailing the Class Notice and Share Form (Exhibit A and Exhibit B respectively) to Class Members. The Administrator will also be responsible for handling inquiries from Class Members concerning the Class Notice.
- 7.9.2. Payments and Taxes: The Administrator will be responsible for determining Individual Class Payments; determining individual payments to Aggrieved Employees; maintaining the settlement funds in an appropriate interest-bearing account; preparing, administering, and distributing Individual Class Payments to Participating Class Members; preparing, administering, and distributing individual payments to Aggrieved Employees; and distributing the portion of the PAGA Payment payable to the LWDA. The Administrator will also handle all tax document preparation and reporting, including state and federal tax forms, if any.

- 7.9.3. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment (if separate from the Motion for Final Approval), Class Counsel Litigation Expenses Payment, and Class Representative Service Payment, the Final Approval and the Judgment certifying the Class Settlement and Approving this Settlement Agreement. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.
- 7.9.4. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing **(a)** the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); **(b)** the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and **(c)** copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.9.5. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, valid and timely Requests for Exclusion received, valid and timely objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Administrator will serve on Class Counsel and Defense Counsel, via email, date-stamped copies of the original Requests for Exclusion and objections no later than seven (7) days after their receipt. The Administrator will provide Class Counsel with proof of mailing of the Class Notice, without listing individual Class Member names, which the Administrator will file with the Court at the time Class Counsel files its motion in support of the Court’s Final Approval and Fairness Hearing.
- 7.9.6. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.9.7. Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of

the Settlement, 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, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.9.8. Final Report by Settlement Administrator. No later than thirty (30) days prior to the Final Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary information regarding: **(a)** the total amount of final Individual Class Payments of each Participating Class Member, without any identifying personal information; **(b)** the number of Participating Class Members to receive such payments, and **(c)** the final number of opt-outs and objections. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

7.9.9. Expenses: Administrative Expenses are not anticipated to exceed \$15,950.00. Prior to the calculation and distribution of the Individual Class Payments, the Administrator shall calculate the total Administrative Expenses through the conclusion of their services and such actual amount will be deducted from the Gross Settlement Amount prior to the final calculation of the Individual Settlement Amounts.

7.9.10. Other Duties: The Administrator will also perform such other duties as the Parties may direct.

8. NULLIFICATION OF THIS SETTLEMENT AGREEMENT

8.1. Non-Approval of This Settlement Agreement. The Settlement and conditional class certification shall be considered null and void, and the Second Amended Complaint shall be null and void, and revert back to the First Amended Complaint as the Operative Complaint; neither the Settlement, conditional class certification, nor any of the related negotiations or proceedings shall be of any force or effect; and all Parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court, if any of the following occur: (a) the Court should for any reason fail to approve this Agreement in the form agreed to by the Parties; (b) the Court should for any reason fail to enter

a judgment with prejudice of the Action; or (c) the approval of the Settlement and judgment is reversed, modified, or declared or rendered void. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in this Agreement to facilitate approval.

- 8.2. Invalidation. Invalidation of any material portion of this Agreement shall invalidate the Settlement in its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the Settlement are to remain in full force and effect.
- 8.3. Stay on Appeal. If a timely appeal from the approval of the Settlement and judgment, the judgment shall be stayed, and Defendant shall not be obligated to fund the Gross Settlement Amount or take any other actions required by this Agreement until all appeal rights have been exhausted by operation of law. Similarly, SCA of CA, LLC shall not be obligated to take any actions required by this Agreement until all appeal rights have been exhausted by operation of law.

9. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on records in its possession, custody, or control, Defendant estimates that, as of October 3, 2023, (1) there were approximately 809 Class Members and approximately 55,774 Total Workweeks during the Class Period and (2) there were approximately 809 Aggrieved Employees who worked approximately 49,277 Pay Periods during the PAGA Period. Defendant estimates that the Class Members have worked approximately 55,774 Workweeks during the time period of September 26, 2018, through October 3, 2023. If the actual number of Workweeks worked by Class Members during the time period of September 26, 2018 through the date of Preliminary Approval, grows by more than ten percent (10%), or more than 5,577 Workweeks, then Plaintiff shall have the option to nullify this Agreement. Plaintiff shall provide ten (10) business days' notice of such intent to nullify prior to taking any action with the Court. During this 10-day nullification notice period, Defendant at its exclusive discretion may agree to increase the Gross Settlement Amount proportionately for any excess increase in the total number of Workweeks worked by the Class. For example, if the total number of Workweeks worked by Class Members during the time period of September 26, 2018, through Preliminary Approval, increases by eleven percent (11%) beyond 55,774 Workweeks (i.e., to approximately 61,909 Workweeks), the Gross Settlement Amount will increase by 1% (actual increase minus the 10% tolerated increase). In the alternative, Defendant shall have the exclusive option to modify the applicable Class Period to a date prior to preliminary approval, to avoid incurring the *pro rata* increase. If this provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the Class Counsel Fees Payment will increase proportionally such that the total amount of attorneys' fees remains one-third of the Gross Settlement Amount after the upward adjustment required by this provision is implemented.

10. DEFENDANT'S RIGHT TO WITHDRAW

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated to, 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 Agreement; provided, however, Defendant will remain responsible for paying

all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

11. MOTION FOR FINAL APPROVAL

Not later than fifteen (15) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order, and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff will make best efforts to provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 11.1. 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 otherwise ordered or accepted by the Court.
- 11.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 11.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 11.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right 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 Agreement will be suspended until such time as the appeal is finally resolved and the Judgment

becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

- 11.5. 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 (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

13. ADDITIONAL PROVISIONS

- 13.1. No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant or SCA of CA, LLC that any of the allegations in the Operative Complaint (as amended) have merit or that Defendant or SCA of CA, LLC has any liability for any claims asserted; nor should it 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 Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant and SCA of CA, LLC reserve the right to contest certification of any class for any reasons, and Defendant and SCA of CA, LLC reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant and SCA of CA, LLC's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 13.2. Confidentiality Prior to Preliminary Approval. Neither Plaintiff nor Class Counsel shall issue any press release or announcement of any kind related in any way to the Settlement. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree that, until preliminary approval of the Settlement, 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 (to include by not limited to posting on websites, settlement reporting services, and/or other media or social media), or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any 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.

From and after preliminary approval of the Settlement, Plaintiff and Class Counsel may: (1) as required by law; (2) as required under the terms of the Settlement; or (3) as required under counsel's duties and responsibilities as Class Counsel, comment regarding the specific terms of the Settlement. In all other cases, Plaintiff and Class Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written or electronic (including the world wide web), to say the Action has been resolved and that Plaintiff and Class Counsel are satisfied with the Settlement terms. This Settlement shall not be advertised or mentioned on any source, including Plaintiff's Counsels' personal or firm website(s).

This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 13.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not directly or indirectly solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement and the transactions contemplated thereby, superseding any and all prior or contemporaneous oral or written agreements, understandings, representations, statements, warranties, covenants, or inducements made to or by any Party or such Party's legal counsel. No rights under this Settlement Agreement may be waived except in writing as provided above.
- 13.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action 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.

- 13.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to accomplish and implement the terms of the Settlement by, among other things, modifying the Settlement Agreement, executing such other documents, and taking such other actions as may reasonably be necessary to fulfill the Settlement's terms, and submitting supplemental evidence and supplementing points and authorities as requested by the Court. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by court order or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel, with the cooperation of Defendant and Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of this Settlement Agreement. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.7. Duty to Support and Defend the Class Settlement. The Parties agree to abide by all of the terms of this Agreement in good faith and to support the Settlement fully and use their best efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.
- 13.8. No Prior Assignments. The Parties separately 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 any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged except as set forth herein.
- 13.9. Circular 230 Disclaimer. Each party to this Settlement Agreement (for purposes of this section, the "Acknowledging Party"; and each party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that (1) no provision of this Settlement Agreement, and no written communication or disclosure between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall any communication or disclosure constitute or be construed to be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10); (2) the Acknowledging Party (a) has relied exclusively upon her or its own independent legal and tax advisers for advice (including tax advice) in connection with this Settlement Agreement, (b) has not entered into this Settlement Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid tax penalty that may be imposed on the Acknowledging Party; and (3) no attorney or adviser to any other party has imposed

any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

- 13.10. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or the Parties' counsel on their behalf. If preliminary or final approval of this Settlement Agreement has been granted by the Court, then any such amendments or modifications to this Settlement Agreement shall be approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.
- 13.11. Agreement Binding on Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the Parties and Class Members (excluding only persons who timely opted out) and their respective present and former heirs, trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension plans, welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and assigns.
- 13.12. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles, in all respects, including execution, interpretation, performance, and enforcement.
- 13.13. 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 that the Party was the drafter or participated in the drafting.
- 13.14. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action, as amended, and in this Agreement relating to the confidentiality of information, including the agreement not to make any postings on firm websites or other social media, shall survive the execution of this Agreement.
- 13.15. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all 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.

- 13.16. Headings, Captions, and Interpretations. The descriptive heading and captions of any section or paragraph of this Agreement are inserted for convenience of reference only; do not constitute a part of this Agreement; and in no way define, limit, extend, or describe the scope of this Agreement or any provision thereof.
- 13.17. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event 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.
- 13.18. Notice. All 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 United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Melmed Law Group P.C.

Jonathan Melmed

jm@melmedlaw.com

Meghan N. Higday

mh@melmedlaw.com

1801 Century Park East, Suite 850

Los Angeles, California 90067

To Defendant:

Sheppard Mullin Richter & Hampton LLP

Jason W. Kearnaghan

jkearnaghan@sheppardmullin.com

Y. Douglas Yang

dyang@sheppardmullin.com

333 South Hope Street, 43rd Floor

Los Angeles, California 90071-1422

- 13.19. Execution in Counterparts. This Settlement Agreement shall become effective upon its execution by all of the undersigned. The Parties may execute this Settlement Agreement in counterparts, and execution of counterparts shall have the same force and effect as if all Settling Parties had signed the same instrument.
- 13.20. 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. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

- 13.21. Voiding This Settlement Agreement. Pending Court approval and other than as provided herein, if any of the conditions set forth in this Agreement are not met and satisfied, this Agreement may, at the option of either Plaintiff or Defendant, be ineffective, void, and of no further force and effect, and may not be used or be admissible in any subsequent proceeding, either in this Court or in any other court or forum. If either Party decides to void the Agreement, then the Agreement and conditional class certification shall be considered void, and the Agreement, conditional class certification, and related negotiations and proceedings shall be of no force or effect, and the Parties shall stand in the same position, without prejudice, as if this Agreement had been neither entered into nor filed with the Court. Should any Party choose to void the Settlement under this subsection, such Party shall be responsible for all Administrator fees and costs actually incurred.
- 13.22. Non-Evidentiary Use. Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation or drafting of it, shall be offered or used as evidence by Plaintiff, any Class Member (including any individual who requested to be excluded from the Settlement Class), Defendant, or its, her, his, or their respective counsel, in the Action, except as is reasonably necessary to effectuate the Agreement's purpose and terms. This Agreement may, however, be used by Defendant and the Released Parties to prove or defend against any claim released herein by any Class Member in any judicial, quasi-judicial, administrative, or governmental proceeding.
- 13.23. Non-Retaliation. Defendant understands and acknowledges that it has a legal obligation not to retaliate against any Class Member who elects to participate in, opt out of, or object to the Settlement. Defendant will refer any inquiries regarding this Settlement to the Administrator or Class Counsel and will not directly or indirectly discourage Class Members who are employees from making claims, opting out, or objecting to the Settlement. Neither of the Parties, or their respective attorneys or agents, shall directly or indirectly solicit or encourage any Class Members to opt out of the Settlement.
- 13.24. Corporate Signatories. Any person executing this Agreement or any such related documents on behalf of a corporate signatory or on behalf of a partnership hereby warrants and promises, for the benefit of all Parties hereto, that such person has been duly authorized by such corporation or partnership to execute this Agreement and any such related document.
- 13.25. Attorney's Fees, Costs, and Expenses. Except as otherwise specifically provided for herein, each party shall bear her or its own attorney's fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement from any other party to this Agreement.
- 13.26. Action to Enforce Agreement. In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover her or its attorney's fees and costs.

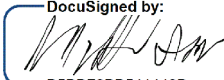
14. **EXECUTION**

The Parties and their counsel have executed this Agreement on the date below their signatures or the signature of their representatives. The date of this Agreement shall be the date of the latest signature.

APPROVAL AND EXECUTION BY PARTIES

CLASS REPRESENTATIVE:

Dated: 5/9/2024

DocuSigned by:

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Martin Arcos
Plaintiff and Class Representative

DEFENDANT:

Dated: 5/14/2024

Sweeping Corporation of America, LLC

DocuSigned by:

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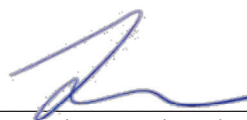
Erin Quinn
By: _____
Title: Secretary

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: May 8, 2024

Melmed Law Group P.C.



Jonathan Melmed
Attorneys for Plaintiff

DEFENSE COUNSEL:

Dated: 5/14/2024

Sheppard Mullin Richter & Hampton LLP



Jason W. Kearnaghan
Attorneys for Defendant