**CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE**

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiffs Alesia Moreno and Heidy Ayala ("Plaintiffs") and Defendant Child Development, Inc. ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or individually as "Party."

**1. DEFINITIONS.**

1.1. "Action" means the Plaintiffs' lawsuit alleging wage and hour violations against Defendant captioned *Alesia Moreno and Heidy Ayala, individually, and on behalf of all others similarly situated, v. Child Development Incorporated*, Case No. 25CV465928 pending in Santa Clara County Superior Court.

1.2. "Administrator" or "Settlement Administrator" means Apex Class Action, LLC ("Apex"), the neutral entity the Parties have agreed to appoint to administer the Settlement.

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 non-exempt, hourly-paid employees who were employed by Defendant in the State of California during the PAGA Period.

1.5. "Class" or "Class Members" (whether Participating Class Members or Non-Participating Class Members) means all non-exempt, hourly-paid employees who were employed by Defendant in the State of California during the Class Period.

1.6. "Class Counsel" means the Sentinel Firm, APC.

1.7. "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.

1.8. "Class Data" means Class Member identifying information in Defendant's possession, including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods,

and means, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.10. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.11. "Class Period" means the period between May 14, 2021 and March 11, 2026, or as modified pursuant to Paragraph 8 of this Agreement.

1.12. "Class Representative" or "Class Representatives" means the named Plaintiffs Alesia Moreno and Heidy Ayala in the operative complaint in the Action seeking Court approval to serve as Class Representatives for settlement purposes only.

1.13. "Class Representative Service Payment" means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.

1.14. "Court" means the Superior Court of California, County of Santa Clara.

1.15. "Defendant" means Child Development, Inc.

1.16. "Defense Counsel" means O'Hagan Meyer, LLP.

1.17. "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.18. "Final Approval" means the Court's order granting final approval of the Settlement.

1.19. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.20. "Gross Settlement Amount" means **Three Hundred Ninety-Five Thousand Dollars and Zero Cents ($395,000.00),** which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be

used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payment, and the Administrator's Expenses."

1.21. "Individual Class Payment" means a Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.22. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Payment calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.23. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.24. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to receive penalty payments under Labor Code § 2699(i).

1.25. "LWDA PAGA Payment" means the 65% of the PAGA Payment, which is paid to the LWDA under Labor Code § 2699(m).

1.26. "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.

1.27. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid Request for Exclusion on or before the Response Deadline.

1.28. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.29. "PAGA Period" means the period between May 14, 2024 and March 11, 2026, or as modified pursuant to Paragraph 8 of the Agreement.

1.30. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

1.31. "PAGA Notice" means Plaintiffs' May 14, 2025 letters to Defendant and the LWDA providing notice pursuant to Labor Code § 2699.3(a).

1.32. "PAGA Payment" means the total amount of PAGA civil penalties to be paid from the Gross

Settlement Amount, which will be $35,000.00, allocated 35% to the Aggrieved Employees ($12,250.00) and the 65% to LWDA ($22,750.00) in settlement of PAGA claims.

1.33. "Participating Class Member" means a Class Member who does not submit a valid Request for Exclusion from the Settlement on or before the Response Deadline.

1.34. "Plaintiffs" means Alesia Moreno and Heidy Ayala, the named plaintiffs in the Action.

1.35. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.36. "Released Class Claims" means the claims being released by all Participating Class Members as described in Paragraph 5.2 below.

1.37. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.38. "Released Parties" means: Defendant Child Development, Inc., and its officers, directors, members, partners, owners, shareholders, agents, attorneys, assigns, affiliates, independent contractors, predecessors, successors, parent entities, subsidiary entities, and affiliated entities.

1.39. "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.

1.40. "Response Deadline" means sixty (60) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may fax, email, or mail their (a) Requests for Exclusion from the Settlement, (b) Objection to the Settlement, or (c) dispute of Workweeks and/or PAGA Pay Periods allocated to them as part of the Settlement. Class Members to whom Notices are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days (i.e., total of 74 days from the date of mailing of the Notice) to submit Requests for Exclusion from the Settlement, Objections to the Settlement, or to dispute the Workweeks and/or PAGA Pay Periods allocated to them as a part of the Settlement.

1.41. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.42. "Workweek" means any week for which a Class Member worked for Defendant during the Class Period.

## 2. RECITALS.

2.1. On May 14, 2025, Plaintiffs commenced an Action by filing a Complaint in Santa Clara County Superior Court alleging causes of action against Defendant for: (1) Violation of Labor Code §§ 204, 1194, 1194.2, 1197 (Failure to Pay Minimum Wages); (2) Violation of Labor Code §§ 1194, 1198 (Failure to Pay Overtime Compensation); (3) Violation of Labor Code §§ 226.7, 512 (Failure to Provide Meal Periods); (4) Violation of Labor Code § 226.7, (Failure to Authorize and Permit Rest Breaks); (5) Violation of Labor Code § 2802 (Failure to Indemnify Necessary Business Expenses); (6) Violation of Labor Code §§ 201-203 (Failure to Timely Pay Final Wages at Termination); and (7) Violation of Labor Code § 226 (Failure to Provide Accurate Itemized Wage Statements; and (8) Violation of Bus. & Prof. Code §§ 17200 et seq. (Unfair Business Practices). Thereafter, on July 21, 2025, Plaintiffs filed a First Amended Complaint adding a cause of action for civil penalties under the Private Attorney Generals Act. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). Defendant denies the:

allegations in the Operative Complaint and in the PAGA Notice, deny any failure to comply with the laws identified in the Operative Complaints and/or the PAGA Notice, and deny any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code § 2699.3(a), Plaintiffs each gave timely written notice to Defendant and the LWDA by sending the PAGA Notices on May 14, 2025.

2.3. On December 11, 2025, the Parties participated in an all-day mediation presided over by Steve Pearl, Esq. Subsequently, and following additional efforts by the mediator, the Parties reached an agreement to settle the Action.

2.4. Prior to and following the mediation, Plaintiffs obtained, through informal discovery, documents, data, and information necessary to evaluate the claims in the Action, including an appropriate sampling of pay and time records for the Class. Plaintiffs' investigation was sufficient to satisfy the criteria for Court approval set forth in *Dunk v. Ford Motor Company,* 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

## 3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promise to pay a maximum of **$395,000.00** as the Gross Settlement Amount, and to separately pay any and all employer-side payroll taxes owed on the Wage Portion of each Individual Class Payment. Defendant

has no obligation to pay the Gross Settlement Amount (or 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.

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:

3.3. To Plaintiffs: A Class Representative Service Payment to each Class Representative of not more than $7,500.00, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. The Class Representative Service Payments will be provided to each Plaintiff in consideration for a full and general release and waiver of any of their rights and claims against Defendant, including claims under the Fair Employment and Housing Act and claims for wrongful termination, and a waiver of their rights under Cal. Civ. Code Section 1542. Defendant will not oppose Plaintiffs' requests for Class Representative Service Payments that do not exceed this amount. Plaintiffs will seek Court approval for any Class Representative Service Payments in the Final Approval Motion. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. An award of less than the requested amount for the Class Representative Service Payments will not give rise to a basis to abrogate the Settlement Agreement, and the Court has the authority, at its discretion, to reduce the Class Representative Service Payments at the final approval stage. The Administrator will pay the Class Representative Service Payments using the appropriate IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments and agree to indemnify Defendant and hold it harmless for any responsibility, liability, claim, complaint, damages, penalties, interest, or any other actual or potential damages arising from Plaintiffs' obligations to pay taxes owed on the Class Representative Service Payments.

3.3.1. To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross

Settlement Amount and a Class Counsel Litigation Expenses Payment of not more than $23,000.00. Defendant will not oppose requests for these payments, provided they do not exceed these amounts. Plaintiffs will seek Court approval for the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment in the Final Approval Motion. 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. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim as to any portion of the Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more appropriate 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 agrees to indemnify and hold Defendant harmless from any responsibility, liability, claim, complaint, damages, penalties, interest or any other actual or potential damages arising from Plaintiffs' obligations to pay taxes owed on these Payments or from any dispute or controversy regarding any division or sharing of any of these Payments.

3.3.2. To the Administrator: An Administrator Expenses Payment not to exceed $4,990.00 except upon a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less than, or the Court approves payment less than this amount, the Administrator will retain the remainder in the Net Settlement Amount. Apex Class Action, LLC has been selected as the Administrator, based upon its "not to exceed" bid of $4,990.00.

3.3.3. 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.

3.3.3.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portion of each Individual Class Payment is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's

Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portion of each Individual Class Payment is not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any taxes owed on their Individual Class Payments and agree to indemnify Defendant and hold it harmless for any responsibility, liability, claim, complaint, damages, penalties, interest, or any other actual or potential damages arising from Participating Class Members' obligations to pay taxes owed on these Payments.

3.3.3.2. 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.

3.3.4. To the LWDA and Aggrieved Employees: PAGA Payment in the amount of $35,000.00 to be paid from the Gross Settlement Amount, with 65% ($22,750.00) allocated to the LWDA PAGA Payment and 35% ($12,250.00) allocated to Individual PAGA Payments.

The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of the PAGA Payment ($12,250.00) 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 Payments and agree to indemnify Defendant and hold it harmless for any responsibility, liability, claim, complaint, damages, penalties, interest, or any other actual or potential damages arising from Participating Class Members' obligations to pay taxes owed on these Payments.

3.3.4.1. If the Court approves a PAGA Payment of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.

3.3.4.2. For tax purposes, Individual PAGA Payments will be allocated and treated

as 100% penalties. The Administrator will report the Individual PAGA Payments on the appropriate IRS 1099 Forms.

## 4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. This Settlement is made based on the estimate that the number of Workweeks worked by the estimated 73 Class Members during the Class Period is estimated to be 9,096, and the number of pay periods worked by the estimated 63 Aggrieved Employees is 2,051.

4.2. Class Data. Not later than twenty-one (21) court days after the Court signs an Order granting 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 required tasks 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 fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes as to the Wage Portion of the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within thirty (30) days after Defendant funds the settlement as provided for in Paragraph 4.3, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. 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 when the check will be voided, which date shall be one hundred eighty (180) days after the date of mailing. 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, as applicable. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without a 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 Class Member Address Search. 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.

4.4.3. 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 thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure § 384(b). If a reviewing Court instead requires a *cy pres* beneficiary in order to approve the settlement, the Parties will agree on Legal Aid at Work located at 180

Montgomery St # 600, San Francisco, CA 94104 as an appropriate beneficiary to be approved by the Court.

4.4.4. 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.

4.4.5. Payments to the Responsible Tax Authorities. The Administrator will pay the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Class Payment. The Administrator shall also pay Defendant's portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities. The Administrator will calculate the amount of the Participating Class Members' and Defendant's portion of payroll withholding taxes and forward those amounts to the appropriate Taxing authorities.

## 5. RELEASES OF CLAIMS.

As of the funding of the Gross Settlement Amount of this Settlement, Plaintiffs and the Participating Class Members will release claims against all Released Parties as follows:

5.1. Plaintiffs' Release. Scope of Plaintiffs' Release. Plaintiffs and Plaintiffs' respective former and present Class representatives, agents, attorneys, administrators, successors and assigns, release and discharge Released Parties from all claims, causes of actions, transactions or occurrences, whether known or unknown, including but not limited to any and all claims which arose out of or are in any way connected with Plaintiffs' employment with or work for Defendant or Plaintiffs' separation from Defendant and which are related to or concern any law which arose out of or are in any way connected with any transactions, occurrences, acts, omissions, loss, damage or injury whatsoever resulting from any act committed or omission made prior to the date of this Agreement. Plaintiffs' Release includes but is not limited to:

5.1.1. (a) all claims that were, or reasonably could have been, alleged based on the facts contained in any of the complaints filed in this case and;

5.1.2. (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiffs' PAGA Notices.

5.1.3. (c) Provided, however, Plaintiffs' Release 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, or based on occurrences outside the Class Period.

5.1.4. (d) Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.5. Plaintiffs;' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

5.2. Release by Participating Class Members: Upon the Court's approval of the settlement and the funding of the Gross Settlement Amount, All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, will waive and release the Released Parties from any and all causes of action, claims, rights, damages, punitive or statutory damages, penalties of any kind, liabilities, expenses, and losses including but not limited to the causes of action described in the Operative Complaint and any violation of any other statute, ordinance, rule, or regulation, whether federal, state, or administrative, or any other causes of action that any Class Member has or might have, in law or in equity, of any kind whatsoever, arising at any time during the Class Period that was alleged or that could have been alleged based on the factual allegations in the complaints, along with all related claims and all associated penalties including but not limited to the

following claims: (1) Violation of Labor Code §§ 204, 1194, 1194.2, 1197 (Failure to Pay Minimum Wages); (2) Violation of Labor Code §§ 1194, 1198 (Failure to Pay Overtime Compensation); (3) Violation of Labor Code §§ 226.7, 512 (Failure to Provide Meal Periods); (4) Violation of Labor Code § 226.7, (Failure to Authorize and Permit Rest Breaks); (5) Violation of Labor Code § 2802 (Failure to Indemnify Necessary Business Expenses); (6) Violation of Labor Code §§ 201-203 (Failure to Timely Pay Final Wages at Termination); and (7) Violation of Labor Code § 226 (Failure to Provide Accurate Itemized Wage Statements; and (8) Violation of Bus. & Prof. Code §§ 17200 et seq. (Unfair Business Practices); and (9) Civil Penalties Under the Private Attorney Generals Act. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims outside the Class Period.

5.3 Release by Aggrieved Employees: Upon the Court's approval of the settlement and the funding of the Gross Settlement Amount, Plaintiff, all Aggrieved Employees, and the State of California shall release all claims for PAGA civil penalties asserted in Plaintiffs' notices to the LWDA and the PAGA complaint/s, or that could have been based on the facts asserted in the PAGA notices and the PAGA complaint/s, including, but not limited to, PAGA claims that are predicated on Defendant's alleged failure to pay overtime compensation, failure to pay minimum wages, failure to provide compliant meal and rest breaks, failure to pay meal and rest period premiums, failure to pay all wages owed at discharge or resignation; failure to timely pay wages during employment; failure to provide complete and accurate wage statements; failure to reimburse necessary business-related expenses; and violations of the Labor Code section and the applicable IWC Wage Orders. This release is limited to PAGA claims arising during the PAGA Period.

## 6. MOTION FOR PRELIMINARY APPROVAL.

Plaintiffs shall prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approval.

6.1. Plaintiffs' Responsibilities. Plaintiffs will prepare and file 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 § 2699(f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv)

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 Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any conflict of interest with Class Members or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code § 2699.3(a)), Operative Complaint (Labor Code § 2699(*l*)(1)), this Agreement (Labor Code § 2699(*l*)(2)) and (vii) all facts relevant to any actual or potential conflict of interest with Class Members or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3. 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 Apex Class Action, LLC ("Apex") to serve as the Administrator and verified that, as a condition of appointment, Apex 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 § 468B-1.

7.4. Notice to Class Members.

7.4.1. 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, PAGA Members, Workweeks, and PAGA Pay Periods in the Class Data.

7.4.2. 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 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 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.

7.4.3. 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 Class Member Address Search 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.

7.4.4. 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 sixty (60) 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.

7.4.5. If the Administrator, Defendant, or Class Counsel is 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 wish to exclude themselves from (opt out of) the Class Settlement must do so within 60 days of receiving notice. To opt-out of the Class Settlement the Class Member must send the Administrator a valid Request for Exclusion. A valid Request for Exclusion is a letter from a Class Member or their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2. 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.

7.5.3. 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.

7.5.4. 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.

7.6. Challenges to Calculation of Workweeks. Each Class Member and Aggrieved Employee (as applicable) shall have through the Response Deadline to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member or Aggrieved Employee in the Class Notice. The Class Member or Aggrieved Employee may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member or Aggrieved Employee to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or each Aggrieved Employee's Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide to Defense Counsel and Class Counsel copies of all challenges to calculation of Workweeks and/or Pay Periods and the Administrator's determination of the challenges.

7.7. Objections to Settlement.

7.7.1. Only Participating Class Members may object to the class action components of the

Settlement and/or this Agreement, 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.

7.7.2. Participating Class Members may send written objections to the Administrator by fax, email, or mail. 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. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline.

7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.7.4. Class Members (whether Participating or Non-Participating) and Aggrieved Employees have no right to object to or intervene in any of the PAGA components of the Settlement.

7.8. 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.

7.8.1. Website, Email Address, and Toll-Free Number. The Administrator will establish, 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, the Class Notice, the Final Approval, and the Judgment on the Administrator's website. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

7.8.2. 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; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3. 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, Requests for Exclusion (whether valid or invalid) received, 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 Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4. 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.

7.8.5. Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are 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.

7.8.6. Final Report by Settlement Administrator. Within fourteen (14) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its

disbursements by employee identification number only of all payments made under this Agreement. At least fourteen (14) 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.

**8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.**

The Parties have stipulated to a 10% increase in the number of Workweeks in the Class Period without a corresponding increase in the Gross Settlement Amount and/or alteration of the Class Period and PAGA's end dates. If the number of workweeks in the Class Period exceeds 9,096 by more than 10% (10,006 workweeks), Defendant shall have the option pay the pro rata percentage increase in excess of 10% of the GSA to include the additional workweeks (e.g., an 11% increase in workweeks would result in a 1% increase in the GSA); or (b) shorten the release period to end on the date that 10,006 workweeks are met, but not exceeded. Additional payments under this paragraph will not be used to calculate enhancement payments or impact the amount of the PAGA payment. Defendant shall inform Plaintiffs upon reasonable request whether the provisions of this Paragraph appear to have been triggered at the time this agreement is executed, and if so, their election under this paragraph. The Settlement Administrator shall be responsible for making the final determination regarding whether the provisions of this paragraph are triggered.

**9. RIGHT TO WITHDRAW**

If 10% or more of the Settlement Class members elect not to participate in the Settlement by submitting a valid Request for Exclusion, Defendant may, at its election, rescind the Settlement and all actions taken in its furtherance of it will be thereby null and void. The Parties agree that, if Defendant elects to withdraw pursuant to this Paragraph, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will be 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 14 days after the Administrator sends the final Exclusion List to Defense Counsel.

**10. MOTION FOR FINAL APPROVAL**

Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs 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 § 2699(s)(2), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval").

10.1. 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.

10.2. 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 Parties agree that changes to the timing of payments or notice periods, or to the contents of the Notice of Settlement, which are requested by the Court, do not necessitate an amendment or revision to this Agreement unless such an Amendment is required by the Court. 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.

10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, 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.

10.4. 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 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 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.

10.5. 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.

## 11. AMENDED JUDGMENT.

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

## 12. ADDITIONAL PROVISIONS.

12.1. 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 that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs 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 reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement, any papers submitted or filed in connection with the approval of this Agreement, and the 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).

12.2. Court Approval. In the event that the Court fails to approve the settlement notwithstanding the good faith efforts of the Parties pursuant to Paragraph 12.7 of this Agreement, or if the appropriate appellate court fails to approve the settlement, or if the Settlement Agreement is otherwise terminated: (1) the Settlement Agreement shall have no force and effect and the Parties shall be restored to their respective positions prior to entering into it, and no Party shall be bound by any of the terms of the Settlement Agreement; (2) Defendant shall have no obligation to make any payments to the Settlement Class Members, the Settlement Administrator, the LWDA, Plaintiffs or Class Counsel; (3) any preliminary approval order, final approval order or judgment, shall be vacated; and (4) the Settlement Agreement and all negotiations, statements, proceedings and data relating thereto shall be deemed confidential mediation settlement communications and not subject to disclosure for any purpose in any proceeding.

12.3. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (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; or (6) by Defendant so it may carry out ordinary business activities. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, 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. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members. Notwithstanding the foregoing, the settlement is not confidential, and Plaintiffs and/or Plaintiffs' Counsel shall submit the settlement to the LWDA and the Court for purposes of obtaining preliminary and/or final settlement approval.

12.4. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the

Judgment. Nothing in this 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.

12.5. 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, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.6. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.

12.7. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. 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.

12.8. 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 released and discharged by a Party in this Settlement.

12.9. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel is providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.10. 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 their representatives, and approved by the Court.

12.11. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.12. 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.

12.13. 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.

12.14. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.15. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code § 1152, and all copies and summaries of the Class Data provided to Class Counsel including any and all financial documents relating to Child Development Inc. 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 payout of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendant. All financial documents must be immediately destroyed if they have not been already.

12.16. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.17. Calendar Days. Unless otherwise noted, all references 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.

12.18. 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 Plaintiffs:

Seung L. Yang
seung.yang@thesentinelfirm.com
Tiffany Hyun
tiffany.hyun@thesentinelfirm.com
Jeffrey P. Jackson
jeffrey.jackson@thesentinelfirm.com

**THE SENTINEL FIRM, APC** 355
S Grand Ave. Suite 1450
Los Angeles, California 90071
Telephone: (213) 985-1150 Facsimile:
(213) 985-2155

To Defendant:

Vincent Fisher
vfisher@ohaganmeyer.com
Jannat Irshad
jirshad@ohaganmeyer.com
**O'HAGAN MEYER LLP**
One Embarcadero Center, Suite 2100
San Francisco, CA 94111

12.19. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or email, which, for purposes of this Agreement, shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.20. 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. Upon signing this Agreement, the Parties further agree, 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.

**[SIGNATURES ON NEXT PAGE]**

**IT IS SO AGREED.**

**Plaintiff & Class Representative:**

Dated: 09 / 16 / 2026

By: Alesia M.
**ALESIA MORENO**

**Plaintiff & Class Representative:**

Dated: ___

By: _____
**HEIDY AYALA**

**Defendant:**

Dated: ___

**CHILD DEVELOPMENT, INC.**

By: _____
Print Name

_____
Signature

_____
Title

**IT IS SO AGREED.**

**Plaintiff & Class Representative:**

Dated: ___ By: _____
**ALESIA MORENO**

**Plaintiff & Class Representative:**

Dated: 09 / 23 / 2026 By: _____
**HEIDY AYALA**

**Defendant:**

Dated: ___ **CHILD DEVELOPMENT, INC.**

By: _____
Print Name

_____
Signature

_____
Title

Doc ID: 1c4e7f670575d7e72476fa0e96081ec39ad5f6d4

**IT IS SO AGREED.**

**Plaintiff & Class Representative:**

Dated: ___

By: _____
**ALESIA MORENO**

**Plaintiff & Class Representative:**

Dated: ___

By: _____
**HEIDY AYALA**

**Defendant:**

Dated: 10/2/2026

**CHILD DEVELOPMENT, INC.**

By: ELIZABETH DUNN ANDREINI
Print Name

Elizabeth Dunn Andreini
Signature

PRESIDENT & CEO
Title