

Arby Aiwarzian (SBN 269827)
Joanna Ghosh (SBN 272479)
Arman Marukyan (SBN 327150)
LAWYERS for JUSTICE, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiffs

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

STEVEN NEEL, individually, and on behalf
of other members of the general public
similarly situated; KATIE MCCARLEY,
individually, and on behalf of other members
of the general public similarly situated and
on behalf of other aggrieved employees
pursuant to the California Private Attorneys
General Act;

Plaintiffs,

vs.

BAKERSFIELD PIZZA WEST, INC. DBA
RUSTY'S PIZZA PARLORS, a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: BCV-19-101175

Honorable Bernard C. Barmann, Jr.
Department H

CLASS ACTION

**DECLARATION OF ARMAN
MARUKYAN IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

[Plaintiffs' Motion for Preliminary
Approval of Class Action Settlement;
Declarations of Proposed Class
Representatives (Steven Neel and Katie
McCarley); and [Proposed] Order filed
concurrently herewith]

Hearing Date: April 30, 2025
Hearing Time: 8:30 A.M.
Department: H

Complaint Filed: April 26, 2019
FAC Filed: March 19, 2025
Trial Date: None Set

DECLARATION OF ARMAN MARUKYAN

I, Arman Marukyan, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiffs Steven Neel ("Plaintiff Neel") and Katie McCarley ("Plaintiff McCarley") (collectively, "Plaintiffs"). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

PROCEDURAL HISTORY

2. On April 26, 2019, Plaintiff Neel filed the Class Action Complaint for Damages ("Plaintiff Neel's Class Action Complaint") in the Superior Court for the County of Kern, thereby commencing the above-captioned lawsuit (the "Action").

3. On June 27, 2019, Defendant Bakersfield Pizza West, Inc. dba Rusty's Pizza Parlors ("Defendant") filed a Demurrer to Plaintiff Neel's Class Action Complaint, and a separate Motion to Strike.

4. On July 3, 2019, Plaintiff Neel propounded on Defendant Form Interrogatories – General (Set One), Special Interrogatories (Set One), Special Interrogatories (Set Two), and Requests for Production of Documents (Set One) (collectively, "Plaintiff Neel's Initial Discovery").

5. On July 17, 2019, Plaintiff Neel filed his oppositions to Defendant's Demurrer and Motion to Strike.

6. On July 27, 2019, Defendant filed its reply briefs in support of its Demurrer and Motion to Strike.

7. On July 30, 2019, the Court overruled Defendant's Demurrer and granted in part/denied in part Defendant's Motion to Strike.

8. On August 19, 2019, Defendant filed its Answer to Plaintiff Neel's Class Action Complaint.

9. On August 26, 2019, Defendant served responses and objections to Plaintiff Neel's Initial Discovery.

1 10. On September 3, 2019, Defendant filed its First Amended Answer to Plaintiff
2 Neel’s Class Action Complaint.

3 11. On April 25, 2022, Defendant provided supplemental responses to Plaintiff Neel’s
4 Requests for Production of Documents (Set One).

5 12. On July 8, 2022, Defendant provided supplemental responses to Plaintiff Neel’s
6 Special Interrogatories (Set Two).

7 13. On August 17, 2022, Defendant provided supplemental responses to Plaintiff Neel’s
8 Form Interrogatories – General (Set One).

9 14. On October 5, 2022, Plaintiff McCarley provided written notice by certified mail to
10 the LWDA and Defendant of the specific provisions of the California Labor Code that were
11 alleged to be violated (“PAGA Notice”). Aside from confirmation of receipt of the PAGA Notice,
12 the LWDA did not respond to the PAGA Notice. Marked and attached hereto as “**EXHIBIT 1**” is
13 a true and correct copy of Plaintiff McCarley’s PAGA Notice.

14 15. On December 9, 2022, Plaintiff McCarley filed her Class Action Complaint for
15 Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698,
16 Et Seq. (“Plaintiff McCarley’s Complaint”) against Defendant, thereby commencing a separate
17 putative class action and representative action pursuant to the California Private Attorneys General
18 Act (“PAGA”) entitled *Katie McCarley v. Bakersfield Pizza West, Inc. d/b/a Rusty’s Pizza Parlors*,
19 Kern County Superior Court Case No. BCV-22-103336 (the “*McCarley Action*”).

20 16. On May 30, 2023, Plaintiff McCarley propounded on Defendant her Form
21 Interrogatories – General (Set One), Special Interrogatories (Set One), Special Interrogatories (Set
22 Two), and Requests for Production of Documents (Set One) (collectively, “Plaintiff McCarley’s
23 Initial Discovery”) in the *McCarley Action*.

24 17. On October 3, 2023, Plaintiff Neel took the deposition of Defendant’s Persons Most
25 Knowledgeable.

26 18. On February 7, 2025, Plaintiff Neel sought leave to file a First Amended Class
27 Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, Cal.
28 Lab. Code § 2698, Et Seq. (“Operative Complaint”), adding Plaintiff McCarley as a plaintiff and

1 class and PAGA representative, and adding Plaintiff McCarley’s claims and causes of action from
2 the *McCarley* Action, thereby consolidating the actions. The Court granted Plaintiff Neel leave to
3 file the proposed First Amended Complaint on February 18, 2025, and Plaintiffs filed the First
4 Amended Complaint on March 19, 2025.

5 **THE PROPOSED SETTLEMENT**

6 19. Marked and attached hereto as “**EXHIBIT 2**” is a true and correct copy of the Joint
7 Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement,” or
8 “Settlement Agreement”) entered into by and between Plaintiffs, individually and on behalf of all
9 others similarly situated and other aggrieved employees, on the one hand, and Defendant, on the
10 other hand (together, the “Parties”). The Parties and their counsel have approved the proposed
11 Notice of Class Action Settlement (“Class Notice”), which is attached to the Settlement Agreement
12 as “Exhibit A” and respectfully request that the Court approve it as well.

13 20. The Settlement provides for a Maximum Settlement Amount of \$425,000.00 to be
14 paid in a single payment on a non-reversionary basis. The Net Settlement Amount is the Maximum
15 Settlement Amount less the following amounts, subject to approval by the Court: Attorneys’ Fees
16 of up to \$161,500.00 (if the Maximum Settlement Amount remains \$425,000.00) and Costs not to
17 exceed \$25,000.00 to Class Counsel, Enhancement Payments to Plaintiffs of \$10,000.00 each (for
18 a combined total of \$20,000.00), Settlement Administration Costs to the Settlement Administrator
19 not to exceed \$11,000.00, and the PAGA Amount of \$40,000.00. Assuming that the amounts
20 allocated under the Settlement toward these payments are awarded by the Court, the Net
21 Settlement Amount that will be available for distribution to Settlement Class Member is currently
22 \$167,500.00. Additionally, 25% of the PAGA Amount (i.e., PAGA Employee Amount), which is
23 \$10,000.00 out of \$40,000.00, will be distributed to the PAGA Employees, for their respective
24 portion of the PAGA Employee Amount. The Maximum Settlement Amount will be fully
25 distributed in accordance with the terms of the Settlement and there is no reversion to Defendant.

26 21. The Settlement Agreement provides for Class Counsel to apply for attorneys’ fees
27 in an amount of up to 38% of the Maximum Settlement Amount (i.e., \$161,500.00, if the
28 Maximum Settlement Amount remains \$425,000.00) and expenses and costs of not more than

1 \$25,000.00, which will be paid out of the Maximum Settlement Amount, subject to approval by
2 the Court. It should be noted that Class Counsel has borne all of the risks and costs of litigation
3 and will not receive any compensation until recovery is obtained. A description of the
4 qualifications of Class Counsel, the work performed by Class Counsel, and the results achieved by
5 Class Counsel in this matter can be found in paragraphs 29 through 39, *infra*.

6 22. The Settlement Agreement provides for payment of up to \$10,000.00 each to
7 Plaintiffs (for a total of \$20,000.00) as Enhancement Payments to be paid out of the Maximum
8 Settlement Amount subject to approval by the Court. Plaintiffs spent considerable time and effort
9 to produce relevant documents and past employment records and to provide the facts and evidence
10 necessary to attempt to prove the allegations. Plaintiffs were available whenever Class Counsel
11 needed them and actively tried to obtain information that would benefit the Class. Accordingly, it
12 is appropriate and just for Plaintiffs to each receive Enhancement Payments in addition to their
13 individual settlement payment, for their services on behalf of the Class, PAGA Employees, and the
14 State of California.

15 23. The Parties have agreed to retain Phoenix Settlement Administrators, (“Settlement
16 Administrator”) to handle the notice and settlement administration process. The Parties
17 respectfully request that the Court appoint Phoenix Settlement Administrators to handle these
18 procedures and serve as the Settlement Administrator. Defendant will provide the Settlement
19 Administrator with the Class List, and the Settlement Administrator will calculate each Class
20 Member’s estimated share of the Net Settlement Amount (“Individual Settlement Share”) and each
21 PAGA Employee's estimated pro rata share of the 25% portion of the PAGA Amount. The
22 Settlement Administrator will be responsible for printing, distributing, and tracking Class Notices
23 and other documents for the Settlement, calculating and distributing payments due under the
24 Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings,
25 withholdings, and remittances, providing necessary reports and declarations, transmitting funds
26 representing uncashed checks after the void date to The Open Door Network as a *cy pres* recipient
27 pursuant to California Code of Civil Procedure 384, and other duties and responsibilities set forth
28 to process the Settlement, and as requested by the Parties. Settlement Administration Costs are

1 currently estimated not to exceed \$11,000.00 and will be paid out of the Maximum Settlement
2 Amount, subject to approval of the Court.

3 24. Under the Settlement Agreement, Defendant is responsible for any employer-side
4 tax obligations associated with the Maximum Settlement Amount and will deposit that amount into
5 the settlement fund in addition to the Maximum Settlement Amount. Each Settlement Class
6 Member's Individual Settlement Share will be allocated 10% to wages and 90% to penalties,
7 interest, and non-wage damages. The Settlement Administrator will withhold the employee's share
8 of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares.

9 **CONDITIONAL CERTIFICATION OF THE PROPOSED CLASS IS APPROPRIATE**

10 25. **Ascertainability:** The proposed Class is defined as all current and former hourly-
11 paid or non-exempt employees of Defendant in California employed during the Class Period,
12 which is April 26, 2015 to June 30, 2024.

13 26. **Numerosity:** Based on data provided by Defendant, the Class is estimated to be
14 approximately 787 individuals who worked an estimated total of 53,323 workweeks.

15 27. **Commonality:** Based on investigation and information discovered, Class Counsel
16 believes that there is sufficient evidence to support the allegations made in the lawsuit, including
17 the allegations that Defendant, with respect to Plaintiffs, Class Members, and PAGA Employees,
18 *inter alia*, failed to properly pay overtime and minimum wages, failed to provide compliant meal
19 and rest periods and to pay associated premium pay, failed to timely pay wages during
20 employment and upon termination of employment, failed to provide compliant wage statements,
21 failed to maintain requisite payroll records, and failed to reimburse necessary business expenses,
22 and thereby engaged in unfair business practices and conduct giving rise to civil penalties
23 recoverable under the Private Attorneys General Act of 2004 (California Labor Code sections
24 2698, et seq.). Plaintiffs also asserted that Class Members were expected to perform similar job
25 duties and were subject to the same or similar operations and employment policies, practices, and
26 procedures. Additionally, Plaintiffs asserted that Defendant's recordkeeping practices with respect
27 to Plaintiffs, Class Members, and PAGA Employees were substantially the same during the time
28 period at issue. As a result of said alleged uniform practices, Plaintiffs claim that the Class

Members were not paid all of the compensation that was owed to them by Defendant. Thus, in Class Counsel's view, it is clear that the outcome of this litigation would be determined by Defendant's uniform operations and employment practices, policies, and procedures that Plaintiffs allege applied across its hourly-paid or non-exempt employees in California during the relevant time period.

28. **Adequacy and Typicality:** Plaintiffs undertook the responsibilities of representing a class action against their former employer. Plaintiffs spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiffs were available whenever Class Counsel needed them and actively tried to obtain information that would benefit the Class. Plaintiffs have no interests that are adverse to the Class. Plaintiffs were employed by Defendant during the Class Period and subject to the same alleged violations and the same policies, practices, and procedures. Plaintiffs took on the challenge and risk of commencing and maintaining these actions, and they have not yet received any monetary benefit for their service to date. Plaintiffs put their own interests aside and brought a publicly filed lawsuit against an employer not just for their own benefit, but, instead, on behalf of other hourly-paid employees and the State of California.

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

29. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is the attorney of record in well over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act ("PAGA") representative actions. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California.

30. Edwin Aiwazian is the Managing Member and Shareholder of Lawyers for Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In December of 2004, he obtained a license to practice law from the California State Bar. Since in or around October of 2008, through his work at Lawyers for Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. While employed by Lawyers for Justice PC, he has argued over one hundred (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the firm, and in many cases in conjunction with co-counsel, he has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Under his supervision, Lawyers for Justice, PC has successfully obtained class certification by contested motion practice in approximately sixteen (16) cases in the last decade, and litigated over 1,000 class action or representative action cases.

31. Arby Aiwazian is a Member and Shareholder of Lawyers for Justice, PC. He received his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the

1 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
2 From approximately August 2008 to approximately December 2008, he served as a Judicial Extern
3 to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth
4 Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before
5 all courts of the State of California and all United States District Courts in the State of California.
6 He has worked on many wage-and-hour class action and representative action cases, taking the
7 lead in taking and defending depositions, arguing motions, and attending mediations. He has
8 played an integral role in preparing matters for class certification, including and not limited to,
9 successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court
10 Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court
11 Case No. BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case
12 No. RG13680477). Under his supervision, dozens of class action or representative action cases
13 have resulted in settlements that have been granted court approval. He has handled over one
14 hundred and fifty (150) mediations and has worked on over two hundred and fifty (250) class
15 action or representative action cases which have resulted in settlement.

16 32. Joanna Ghosh is a Senior Member of Lawyers *for* Justice, PC. She received a
17 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of
18 Science degree from the London School of Economics in 2007, and a Juris Doctor degree from
19 Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010)
20 and in New York (since 2013) and is also admitted to practice in all U.S. District Courts in
21 California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme
22 Court. She has taken and defended dozens of depositions and successfully handled motion practice
23 in class action cases regarding discovery (including and not limited to, regarding class contact
24 information), class certification (both contested class certification and stipulated class
25 certification), arbitration agreements, coordination, and intervention. She has successfully handled
26 briefing and oral argument on appeal, and obtained notable decisions regarding the Private
27 Attorneys General Act and employer efforts to compel arbitration, e.g., *Betancourt v. Prudential*
28 *Overall Supply*, 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied (Cal., May 24,

2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019). She also has extensive experience with class action and/or representative action settlements. Under her, Edwin Aiwarzian, and Arby Aiwarzian’s supervision, the firm has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. She is a member of the California Employment Lawyers Association.

33. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor of Arts degree from Loyola Marymount University, Los Angeles in 2015 and earned my Juris Doctor degree from Pennsylvania State University, Penn State Law in 2019. I was admitted to practice law in California in 2019. I am admitted to practice before all courts of the State of California and all federal district courts in the State of California. During my employment with Lawyers *for* Justice, PC, I have worked on over one hundred (100) wage-and-hour class actions and PAGA representative actions, and my work has included, *inter alia*: researching and drafting pleadings; administrative notice exhaustion; drafting, negotiating, and finalizing stipulations and settlement agreements; taking and defending depositions; propounding and responding to written discovery; engaging in motion practice (including and not limited to, motions to compel arbitration, motions to compel discovery responses, motions for summary judgment and/or adjudication, and motions to remand); claims evaluation and analysis; making court appearances; and attending mediation. I have also successfully handled briefing and oral argument in the California Courts of Appeal. I am a member of the California Lawyers Association’s Labor and Employment Section and Litigation Section.

THE SETTLEMENT AND SUMMARY OF WORK PERFORMED

34. The effectiveness of Lawyers *for* Justice, PC (“Class Counsel”) in prosecuting this matter has translated into tangible monetary benefits in the following respects: (1) Class Members, PAGA Employees, and the State of California recover over a reasonably short period of time as opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result that compares favorably with other similar class action settlements of this type given the strengths and weaknesses of the cases; and (3) significant savings in Class Counsel's fees and/or costs that

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1 would have only increased significantly had the cases progressed through certification, trial, and/or
2 appeals.

3 35. Class Counsel has litigated the case for approximately 5 years and was actively
4 preparing the matters for class certification and trial. The Parties have engaged in extensive
5 settlement negotiations and participated in a full-day mediation conducted by Honorable Suzanne
6 H. Segal (Ret.), a well-respected mediator experienced in mediating complex labor and
7 employment matters. In the course of the lawsuits and in connection with the mediation and
8 settlement negotiations, the Parties exchanged extensive information and engaged in discussions
9 regarding their evaluations of the matter and various aspects of the matter, including but not
10 limited to, the risks and delays of further litigation, the law relating to off-the-clock theory, meal
11 and rest periods, PAGA representative claims, and state wage-and-hour law and enforcement, as
12 well as the evidence produced and analyzed, and the possibility of appeals, among other things.
13 During all settlement discussions, the Parties conducted their negotiations at arm's length in an
14 adversarial position. Arriving at a settlement that was acceptable to all Parties was not easy.
15 Defendant and its counsel felt strongly about its ability to prevail on the merits, and Plaintiffs and
16 Class Counsel believed that they would be able to prevail at trial. After conducting investigations,
17 formal and informal discovery, exchange of information, extensive settlement negotiations, and
18 with the aid of the mediator's evaluation, the Parties have agreed that the matter is well-suited for
19 settlement given the legal issues relating to Plaintiffs' principal claims, as well as the costs and
20 risks to both sides that would attend further litigation. The Settlement is a fair, reasonable, and
21 adequate resolution of the Released Class Claims of Plaintiffs and Settlement Class Members, and
22 of the Released PAGA Claims of Plaintiffs and the State of California, with respect to aggrieved
23 employees, against the Released Parties.

24 36. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength,
25 and scope of the claims, and was preparing the actions for class certification and trial. Plaintiffs
26 conducted significant investigation and formal and informal discovery regarding the facts of the
27 cases, including and not limited to, the exchange, review, and analysis of thousands of pages of
28 documents and data obtained from Defendant, Plaintiffs, and other sources. The volume of data

1 and documents that Class Counsel reviewed and analyzed included and was not limited to:
2 Plaintiffs' and other Class Members' employment records, a detailed sampling of Class Members'
3 time and pay data, Defendant's Employee Handbook, company policy acknowledgements, job
4 descriptions, Defendant's operations and employment practices, forms, procedures, and policies,
5 among other information and documents. Class Counsel had the opportunity to interview
6 Plaintiffs and other Class Members to gather facts and to identify potential witnesses. Counsel for
7 the Parties met and conferred on numerous occasions, e.g., to discuss issues relating to the
8 pleadings, discovery, and the production of documents and data prior to the mediation. Class
9 Counsel drafted Plaintiffs' pleadings and mediation brief and prepared for and attended court
10 proceedings, settlement negotiations, and the mediation, among other tasks.

11 37. Counsel for the Parties have also invested time researching and investigating the
12 applicable law, which is constantly evolving as it relates to certification, representative PAGA
13 claims, off-the-clock theory, meal and rest periods, state wage-and-hour law and enforcement,
14 Plaintiffs' claims and damages, and Defendant's defenses thereto, as well as facts discovered.
15 Based on Class Counsel's analysis, the result achieved in the lawsuits is fair, adequate, and
16 reasonable.

17 38. Class Counsel is aware of the defenses and position of Defendant, but believes that
18 Plaintiffs could potentially obtain class certification despite many obstacles. Plaintiffs and Class
19 Counsel have also taken into account the uncertainty and risk of the outcome of further litigation,
20 and the difficulties and delays inherent in such litigation. Plaintiffs further recognize the burdens
21 of proof necessary to establish liability for the claims asserted in the lawsuits, Defendant's
22 defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiffs and Class
23 Counsel have also considered the Parties' settlement discussions, as well as the evaluations of the
24 mediator, who is experienced and well-regarded in complex labor and employment matters.

25 39. Defendant, on the other hand, denied and continues to deny any liability and
26 wrongdoing of any kind associated with the claims alleged in the lawsuits, and further denies that
27 the lawsuits are appropriate for class treatment or representative adjudication for any purpose other
28 than this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides

1 have also had the opportunity to interview witnesses and review documents and information
2 relating to Plaintiffs', Class Members', and PAGA Employees' employment with Defendant, and
3 Defendant's operations and employment policies, practices, and procedures. The Parties also
4 reviewed and analyzed thousands of pages of documents and data to determine the potential value
5 and strength of the claims. The available information enabled Class Counsel to assess and value
6 the class and PAGA claims and prepare violation, damages, and penalties analyses models.
7 Accordingly, counsel for the Parties have conducted adequate investigation and discovery to be
8 sufficiently informed of the nature and extent of the Class Members' claims, and to enable both
9 sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The
10 Settlement takes into account the strengths and weaknesses of each side's position and the
11 uncertainty of how the cases might have concluded at trial and/or appeals.

12 40. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is
13 in the best interest of Plaintiffs, the Class, and the State of California. Class Counsel further
14 submits that the Settlement is within an acceptable range of recovery for this type of litigation
15 given the strengths and weaknesses of the cases, the inherent costs and risks of further litigation,
16 and the costs and risks associated with class certification, representative adjudication, trial, and/or
17 appeals.

18 I declare under penalty of perjury under the laws of the State of California that the
19 foregoing is true and correct.

20 Executed on this 3rd day of April 2025, at Glendale, California.

21 

22 _____
Arman Marukyan

EXHIBIT 1

LAWYERS FOR JUSTICE[®]

October 5, 2022

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: BAKERSFIELD PIZZA WEST, INC. D/B/A RUSTY'S PIZZA PARLORS

Dear Representative:

We have been retained to represent Katie McCarley against Bakersfield Pizza West, Inc. d/b/a Rusty's Pizza Parlors (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as "BPW") for violations of California wage-and-hour laws. Ms. McCarley seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Ms. McCarley seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

BPW employed Ms. McCarley as an hourly-paid, non-exempt employee from approximately July 2021 to approximately November 2021, in the State of California.

The "aggrieved employees" that Ms. McCarley may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, BPW has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001 and 5-2001.

BPW required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, waiting in line to clock-in and/or clock-out, completing COVID screening protocols, completing closing procedures, and responding to work-related inquiries.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours

in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Ms. McCarley and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Ms. McCarley and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, BPW required Ms. McCarley and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, BPW failed to pay Ms. McCarley and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, BPW failed to pay Ms. McCarley and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, BPW did not provide Ms. McCarley and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from BPW were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Ms. McCarley and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause

his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Ms. McCarley and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Ms. McCarley and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Ms. McCarley and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Ms. McCarley and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, BPW failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Ms. McCarley and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 2810.5 requires an employer to provide written notice to an employee, at the time of hiring, containing the following information:

The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable. Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances. The regular payday designated by the employer in accordance with the requirements of this code. The name of the employer, including any "doing business as" names used by the employer. The physical address of the employer's main office or principal place of business, and a mailing address, if different. The telephone number of the employer. The name, address, and telephone number of the employer's workers' compensation insurance carrier. That an employee: may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates. Any other information the Labor Commissioner deems material and necessary.

BPW failed to accurately provide aggrieved employees with the requisite notice in violation of California Labor Code section 2810.5.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, BPW did not provide Ms. McCarley and other aggrieved employees with the minimum wages to which they were entitled for work performed “off-the-clock.”

California Labor Code section 1198 provides that “The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful.” The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee’s regular rate of pay. During the relevant time period, BPW failed to pay Ms. McCarley and other aggrieved employees half the usual or scheduled day’s work in an amount no less than two (2) hours nor more than four (4) hours at the employee’s regular rate of pay for workdays in which Ms. McCarley and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day’s work. During the relevant time period, BPW failed to pay Ms. McCarley and other aggrieved employees for two (2) hours at the employee’s regular rate of pay on days in which Ms. McCarley and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Ms. McCarley and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by BPW. These costs include, but are not limited to, the purchasing and maintenance of clothing and footwear in compliance with the dress code.

Therefore, on behalf of all aggrieved employees, Ms. McCarley seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

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If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

Edwin Aiwazian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Bakersfield Pizza West, Inc. d/b/a Rusty's Pizza Parlors
c/o Cynthia Page Hicks
Agent for Service of Process
2724 Mosasco Street,
Bakersfield, CA 93312

Bakersfield Pizza West, Inc. d/b/a Rusty's Pizza Parlors
c/o Daniel K. Klingengerger
LEBEAU THELEN, LLP
Attorney
5001 E. Commercenter Drive, Suite 300
Bakersfield, CA 93309

EXHIBIT 2

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Steven Neel (“Plaintiff Neel”), individually, and on behalf of all others similarly situated, Plaintiff Katie McCarley (“Plaintiff McCarley”) (collectively, “Plaintiffs”), individually, on behalf of all others similarly situated, and on behalf of the State of California with respect to PAGA Employees pursuant to the Private Attorneys General Act, and Defendant Bakersfield Pizza West, Inc. dba Rusty’s Pizza Parlors (“Defendant”) (collectively, Plaintiffs and Defendant are referred to as the “Parties” and individually they are referred to as “Party”).

This Joint Stipulation of Class Action and PAGA Settlement and Release shall be binding on Plaintiffs, Settlement Class Members (as defined herein), the State of California with respect to PAGA Employees (as defined herein) and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On April 26, 2019, Plaintiff Neel filed a Class Action Complaint for Damages, thereby commencing a putative class action entitled *Steven Neel v. Bakersfield Pizza West, Inc. dba Rusty's Pizza Parlors* in the Superior Court of California for the County of Kern, Case No. BCV-19-101175 (the “*Neel Action*”).

2. On October 5, 2022, Plaintiff McCarley provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant of her intent to pursue civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) for Defendant’s alleged violations of the California Labor Code (“PAGA Notice”). On December 9, 2022, Plaintiff McCarley filed a Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et. Seq.*, thereby commencing a putative class and PAGA representative action entitled *Katie McCarley v. Bakersfield Pizza West, Inc. d/b/a Rusty’s Pizza Parlors* in the Superior Court of California for the County of Kern, Case No. BCV-22-103336 (the “*McCarley Action*”) (collectively, the *Neel Action* and *McCarley Action* are referred to as the “*Actions*”) against Defendant for alleged violations of the California Labor Code.

1 3. Defendant denies all material allegations set forth in the operative complaints in the
2 Actions and has asserted numerous affirmative defenses in the Actions. Notwithstanding, in the interest
3 of avoiding further litigation, Defendant desires to fully and finally settle the Actions, the Released Class
4 Claims, and the Released PAGA Claims.

5 4. Class Counsel diligently investigated the claims against Defendant, including any and all
6 applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of
7 information, data, and documents, and review of Defendant's employment and operations policies,
8 practices, and procedures.

9 5. On July 9, 2021, the Parties participated in mediation with the Honorable Suzanne H.
10 Segal (Ret.) (the "Mediator"), a respected mediator of complex wage and hour actions. Although the
11 mediation was unsuccessful, the Parties continued negotiations and settlement efforts. Ultimately, on or
12 about January 11, 2024, the Parties reached the settlement that is memorialized herein. The settlement
13 discussions were conducted at arm's-length, and the Settlement is the result of an informed and detailed
14 analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with
15 continued litigation. Based on the documents produced, as well as Class Counsel's own independent
16 investigation and evaluation, Class Counsel believe that the settlement with Defendant for the
17 consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate
18 and is in the best interest of the Class Members, the State of California, and PAGA Employees in light
19 of all known facts and circumstances, including the risk of significant delay and uncertainty associated
20 with litigation and various defenses asserted by Defendant.

21 6. In order to facilitate the settlement of the Actions, the Parties stipulate to consolidate the
22 Actions for purposes of seeking approval of the Settlement, such as by filing a stipulation and proposed
23 order requesting the Court consolidate the Actions, or by amending the complaint in the *Neel* Action to
24 add Plaintiff McCarley and her claims from the *McCarley* Action. The Parties agree that Plaintiffs will
25 seek approval of this Settlement Agreement in the consolidated *Neel* Action.

26 7. The Parties expressly acknowledge that this Settlement Agreement is entered into solely
27 for the purpose of compromising significantly disputed claims and that nothing herein is an admission
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of liability or wrongdoing by Defendant. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

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

a. “Attorneys’ Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of the Actions and all actual costs incurred and to be incurred by Class Counsel in the Actions, as set forth herein.

b. “Class Counsel” means Arby Aiwazian, Joanna Ghosh, and Arman Marukyan of Lawyers *for* Justice, PC.

c. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member’s last-known full name, mailing address, telephone number, Social Security Number, start and end dates employed as a non-exempt, hourly-paid employee of Defendant in California during the Class Period and PAGA Period, and such other information as is necessary for the Settlement Administrator to calculate Workweeks (as defined herein).

d. “Class Member(s)” or “Class” means all current and former hourly-paid or non-exempt employees of Defendant in California employed during the Class Period. Defendant represents that the number of Class Members is approximately 787 individuals, as of June 30, 2024.

e. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as “**Exhibit A.**”

f. “Class Period” means the time period from April 26, 2015 to June 30, 2024, or, if applicable, the Alternate Class Period End Date, pursuant to Paragraph 38.

g. “Class Representatives” or “Plaintiffs” mean Steven Neel and Katie McCarley.

h. “Class Settlement” means the settlement and resolution of all Released Class Claims.

i. “Court” means the Superior Court of California for the County of Kern.

j. “Defendant” means Bakersfield Pizza West, Inc. dba Rusty’s Pizza Parlors.

k. “Defendant’s Counsel” means Law Offices of Lebeau Thelen, LLP.

l. “Effective Date” means the later of (a) the last day on which any appeal might be filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date of successful resolution of any appeal(s) with respect to Final Approval Order and Judgment – including expiration of any time to seek reconsideration or further review.

m. “Employer Taxes” means the employers’ share of taxes and contributions in connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant in addition to the Maximum Settlement Amount.

n. “Enhancement Payments” means the amount to be paid to Plaintiffs in recognition of their efforts and work in prosecuting the Actions.

o. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

p. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

q. “Individual PAGA Payment(s)” means the *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive for the PAGA Settlement, to be calculated in accordance with the terms herein.

r. “Individual Settlement Payment(s)” means the net payment of each Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided herein.

s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in accordance with the terms herein.

t. “LWDA Payment” means the amount of \$30,000.00, i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the California Labor and Workforce Development Agency (“LWDA”) for the PAGA Settlement, as set forth herein.

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1 u. “Maximum Settlement Amount” means the amount of \$425,000.00 to be paid by
2 Defendant in full resolution of all Released Class Claims, Released PAGA Claims, and the Actions
3 provided for under the Class Settlement and PAGA Settlement, which includes all Attorneys’ Fees and
4 Costs to be paid to Class Counsel, Enhancement Payment to be paid to Plaintiff, PAGA Amount to be
5 paid to the LWDA and PAGA Employees, Net Settlement Amount to be paid to the Settlement Class
6 Members, and Settlement Administration Costs to be paid to the Settlement Administrator. Defendant
7 shall pay the Employer Taxes in addition to the Maximum Settlement Amount. The Maximum
8 Settlement Amount may increase to the extent provided herein.

9 v. “Net Settlement Amount” means the Maximum Settlement Amount less the Court-
10 approved Enhancement Payment, Settlement Administration Costs, PAGA Amount, and Attorneys’ Fees
11 and Costs.

12 w. “Objection” means a Class Member’s written objection to the Class Settlement,
13 which must: (a) contain the case name and number of the Class Action; (b) contain the Class Member’s
14 full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c)
15 contain a written statement of all grounds for the objection accompanied by any legal and factual support
16 for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection
17 is based; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked
18 on or before the Response Deadline.

19 x. “PAGA Amount” means the allocation of \$40,000.00 from the Maximum
20 Settlement Amount as civil penalties pursuant to the Private Attorneys General Act, California Labor
21 Code section 2698 *et seq.*, for the settlement and resolution of the Released PAGA Claims. Seventy-
22 five percent (75%) of the PAGA Amount, or \$30,000.00, will be paid to the LWDA (i.e., the LWDA
23 Payment) and the remaining twenty-five percent (25%), or \$10,000.00, will be distributed to PAGA
24 Employees (i.e., the PAGA Employee Amount).

25 y. “PAGA Employees” means all current and former hourly-paid or non-exempt
26 employees of Defendant in California employed during the PAGA Period.

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1 z. “PAGA Employee Amount” means the amount of \$10,000.00, i.e., 25% of the
2 PAGA Amount, to be distributed to PAGA Employees on a *pro rata* basis based on their Workweeks
3 during the PAGA Period.

4 aa. “PAGA Period” means the time period from October 5, 2021 to June 30, 2024, or,
5 if applicable, the Alternate PAGA Period End Date pursuant to Paragraph 38.

6 bb. “PAGA Settlement” means the settlement and resolution of Released PAGA
7 Claims.

8 cc. “Parties” means Plaintiffs and Defendant, collectively, and “Party” means any of
9 the Plaintiffs or Defendant.

10 dd. “Preliminary Approval” means entry of the Court order granting preliminary
11 approval of the Settlement Agreement.

12 ee. “Released Class Claims” means all claims under state, federal, or local law,
13 arising out of the claims expressly pleaded in the Actions and all other claims, such as those under the
14 California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been
15 asserted based on the facts pleaded in the Actions for: (1) failure to pay overtime wages under Labor
16 Code sections 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums under
17 Labor Code sections 226.7, 512; (3) failure to provide rest periods and/or pay rest period premiums
18 under Labor Code section 226.7; (4) failure to pay minimum wages under Labor Code sections 1194, et
19 seq.; (5) failure to timely pay wages upon termination under Labor Code section 203; (6) failure to
20 timely pay wages during employment under Labor Code sections 204, 210; (7) failure to provide
21 accurate, itemized wage statements under Labor Code section 226; (8) failure to keep requisite payroll
22 records under Labor Code section 1174(d); (9) failure to reimburse business expenses under Labor Code
23 sections 2800, 2802; and (10) violation of California’s unfair competition law under Business and
24 Professions Code section 17200, *et seq.*

25 ff. “Released PAGA Claims” means all claims for civil penalties under the Private
26 Attorneys General Act, California Labor Code section 2698, *et seq.* that were alleged in the PAGA
27 Notice and operative complaints in the Actions or that reasonably could have been alleged based on the
28 factual allegations in the PAGA Notice and operative complaints in the Actions, arising during the

1 PAGA Period, against any of the Released Parties, for violations of the California Labor Code, including
2 *inter alia* sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1,
3 1198, 2800 and 2802, and applicable Industrial Welfare Commission Wage Orders (including, *inter alia*,
4 Nos. 4-2001 and 5-2001) for failure to pay all and overtime wages due; failure to provide compliant
5 meal periods and associated premiums; failure to provide compliant rest periods and associated
6 premiums; failure to pay all minimum wages due; failure to pay all wages timely during employment,
7 failure to pay all wages timely at the time of termination; failure to provide complete, accurate, or
8 properly formatted wage statements; failure to maintain requisite payroll records; and failure to
9 reimburse business expenses.

10 gg. “Released Parties” means Defendant Bakersfield Pizza West, Inc. dba Rusty’s
11 Pizza Parlor and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that
12 could be considered to have jointly employed the Class Members or PAGA Employees as well as each of
13 their officers, directors, managers, owners, executives, partners, executive-level employees, shareholders,
14 agents, attorneys, and any other predecessors, successors, assigns or legal representatives.

15 hh. “Request for Exclusion” means a Class Member’s written letter indicating a
16 request to be excluded from the Class Settlement, which must: (a) contain the case name and number of
17 the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last
18 four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class
19 Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement
20 Administrator at the specified address, postmarked on or before the Response Deadline.

21 ii. “Response Deadline” means the deadline by which Class Members must submit
22 a Request for Exclusion, Objection, and/or Workweeks Dispute, which shall be the date that is forty-
23 five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator,
24 unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be
25 extended to the next day on which the U.S. Postal Service is open; in the event that a Class Notice is re-
26 mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen
27 (15) calendar days from the initial Response Deadline.

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jj. “Settlement Administrator” means Phoenix Settlement Administrators or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering this Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

kk. “Settlement Administration Costs” means the costs payable from the Maximum Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this Settlement, as set forth herein.

ll. “Settlement Class Members” or “Settlement Class” means all Class Members who do not submit a timely and valid Request for Exclusion.

mm. “Workweeks” means the number of weeks each Class Member was employed by Defendant as an hourly-paid or non-exempt employee in California during the Class Period, which will be calculated by the Settlement Administrator, by using the hire and termination dates of the Class Members and a workweek beginning on Sunday and ending on Saturday.”

nn. “Workweeks Dispute” means a Class Member’s written letter disputing the pre-printed information on the Class Notice as to the number of Workweeks credited to them, which must:

(a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) clearly state that the Class Member disputes of the number of Workweeks credited to him or her and what he or she contends is the correct number to be credited to him or her; (d) attach any documentation that he or she has to support the dispute; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

CLASS CERTIFICATION

9. For the purposes of this settlement only, the Parties stipulate to the certification of the Class.

10. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under California Code of Civil Procedure section 382. Should, for whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as part of the

1 Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible
2 in connection with, the issue of whether or not certification would be appropriate as to any of the claims
3 asserted by Plaintiffs against Defendant in a non-settlement context.

4 **TERMS OF AGREEMENT**

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

7 11. Funding and Disbursement of the Maximum Settlement Amount. Within fifteen (15)
8 calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an
9 accounting estimate of the amounts to be paid by Defendant pursuant to the terms of the Settlement and
10 establish a qualified settlement account for administration of the Settlement. Within thirty (30) calendar
11 days after the Effective Date, Defendant will make a one-time deposit of the Maximum Settlement
12 Amount into the settlement account to be established by the Settlement Administrator. Within seven (7)
13 calendar days of the funding of the Maximum Settlement Amount, the Settlement Administrator will issue
14 payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement
15 Payments to Settlement Class Members; (b) Individual PAGA Payments to PAGA Employees; (c)
16 LWDA Payment to the LWDA; (d) Enhancement Payments to Plaintiffs; (e) Attorneys' Fees and Costs
17 to Class Counsel; and (f) Settlement Administration Costs to itself (the Settlement Administrator). The
18 Settlement Administrator will also undertake filings and remittances in connection with the employee's
19 share of taxes on the wages portion of Individual Settlement Shares and the Employer Taxes, that are
20 necessary for administration of the Settlement.

21 12. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose
22 attorneys' fees of up to thirty-eight percent (38%) of the Maximum Settlement Amount (i.e., up to
23 \$161,500.00 if the Maximum Settlement Amount is \$425,000.00) and reimbursement of actual costs and
24 expenses associated with Class Counsel's litigation and settlement of the Actions, supported by
25 declaration, in an amount not to exceed \$25,000.00, both of which will be paid from the Maximum
26 Settlement Amount subject to Court approval. These amounts will cover any and all work performed
27 and any and all costs incurred by Class Counsel in connection with the litigation and settlement of the
28 Actions, including without limitation all work performed and costs incurred to date, and all work to be

1 performed and all costs to be incurred in connection with obtaining the Court's approval of this
2 Settlement Agreement, including any objections raised and any appeals necessitated by those objections.
3 Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for
4 tax purposes and for paying any taxes on the amounts received. Any portion of the requested Attorneys'
5 Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit
6 of Settlement Class Members.

7 13. Enhancement Payments. In recognition of their efforts and work in prosecuting the
8 Actions, Defendant agrees not to oppose or impede any application or motion for Enhancement Payments
9 to Plaintiffs Steven Neel and Katie McCarley in the amount of up to \$10,000.00 each (for a total of
10 \$20,000.00). The Enhancement Payments, which will be paid from the Maximum Settlement Amount
11 subject to Court approval, will be in addition to any Individual Settlement Payment and Individual PAGA
12 Payment (if applicable) that they are eligible to receive pursuant to the Settlement. The Settlement
13 Administrator will issue an IRS Form 1099 to Plaintiffs for the Enhancement Payments, and Plaintiffs
14 shall be solely and legally responsible for correctly characterizing this compensation for tax purposes
15 and for paying any and all taxes on the amounts received. Should the Court not approve the Enhancement
16 Payments to Plaintiffs, or approve it in an amount that is less than that set forth above, Plaintiffs shall
17 not have the right to revoke this Agreement, and it will remain binding, and the difference between the
18 amount approved by the Court (if any) and the amount allocated toward the Enhancement Payments will
19 be part of the Net Settlement Amount for the benefit of Settlement Class Members.

20 14. Settlement Administration Costs. The Settlement Administrator will be paid for the
21 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
22 which is currently estimated not to exceed \$11,000.00. These costs, which will be paid from the
23 Maximum Settlement Amount subject to Court approval, will include, *inter alia*, printing, distributing,
24 and tracking Class Notices and other documents for the Settlement, calculating and distributing payments
25 due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings,
26 withholdings, and remittances, providing necessary reports and declarations, and other duties and
27 responsibilities set forth herein to process this Settlement, and as requested by the Parties. To the extent
28 actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess

amount will be deducted from the Maximum Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator, to undertake the requirement settlement administration duties, will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

15. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of \$40,000.00 from the Maximum Settlement Amount will be allocated toward civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$30,000.00, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) or, \$10,000.00, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on Workweeks during the PAGA Period (i.e., the Individual PAGA Payment).

16. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks during the Class Period, as follows:

a. After Preliminary Approval of the Settlement, the Settlement Administrator will divide the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class Period to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks during the Class Period by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share.

b. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members during the Class Period to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks during the Class Period by the Final Workweek Value to yield his or her Individual Settlement Share.

17. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Workweeks during the PAGA Period as follows: The Settlement Administrator will divide the PAGA

Employee Amount, i.e., 25% of the PAGA Amount, by the total number of Workweeks of all PAGA Employees during the PAGA Period to yield the “PAGA Workweek Value,” and multiply each PAGA Employee’s individual Workweeks during the PAGA Period by the PAGA Workweek Value to yield his or her Individual PAGA Payment.

18. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiffs, Settlement Class Members, or PAGA Employees to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiffs, Settlement Class Members, or PAGA Employees to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are the sole payments to be made by Defendant to the Settlement Class Members and PAGA Employees in connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

19. Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code section 2699(l)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the same time that it is submitted to the Court for preliminary approval.

20. Delivery of the Class List. Within twenty-one (21) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

21. Notice by First-Class U.S. Mail.

a. Within fourteen (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator will perform a search based on the United States Postal Service’s National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Class Notice in English (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members

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1 via U.S. mail, using the most current, known mailing addresses identified by the Settlement
2 Administrator.

3 b. With respect to Class Notices that are returned as undeliverable on or before the
4 Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-
5 trace and re-mail the Class Notice within five (5) calendar days to an alternate address if one is located.

6 c. Dispute Regarding Workweeks. The Class Notice will include the procedure by
7 which a Class Member may dispute the number of Workweeks allocated to him or her by submitting a
8 timely and valid Workweeks Dispute. The date of the postmark on the return mailing envelope will be
9 the exclusive means to determine whether a dispute has been timely submitted. Absent evidence
10 rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks to
11 be credited to a disputing Class Member, Defendant's records will be presumed correct and
12 determinative of the dispute. The Settlement Administrator will evaluate the information and/or
13 documents submitted by the Class Member and the Settlement Administrator will resolve and determine
14 the number of Workweeks that the disputing Class Member should be credited with under the
15 Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

16 22. Settlement Checks.

17 a. The Settlement Administrator will be responsible for undertaking appropriate
18 deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to
19 the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA
20 Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement
21 Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one
22 check if the intended recipient for both payments is one individual.

23 b. The Settlement Administrator shall remit and report the applicable portions of the
24 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this
25 Agreement. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent
26 necessary to determine the amount of the payroll tax payment required

27 c. Each Individual Settlement Payment check and Individual PAGA Payment check
28 will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original

1 issuance, and thereafter, shall be canceled. All funds remaining in connection with, and after the
2 cancelation of checks issued to Settlement Class Members and PAGA Employees, shall be paid to The
3 Open Door Network in Bakersfield (“Proposed *Cy Pres* Recipient”). The Proposed *Cy Pres* Recipient is
4 a non-profit organization that operates an emergency homeless shelter in Kern County for families with
5 children and supports victims of domestic violence, sexual assault, and human trafficking. Defendant’s
6 counsel, Daniel Klingenberger, serves on the Board of Directors for the Proposed *Cy Pres* Recipient in a
7 volunteer capacity. The Parties and their counsel, including Daniel Klingenberger, do not have any
8 financial interests in the Proposed *Cy Pres* Recipient. Should the Court reject The Open Door Network
9 as a viable *cy pres* recipient, the Parties agree to select and propose California Rural Legal Assistance,
10 Inc. as an alternate *cy pres* recipient (“Alternate *Cy Pres* Recipient”). The Parties and their counsel do
11 not have any interests or involvement within the governance or work of the Alternate Proposed *Cy Pres*
12 Recipient.

13 d. The Settlement Administrator shall undertake amended and/or supplemental tax
14 filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated
15 due to the cancelation of any Individual Settlement Payment or Individual PAGA Payment checks.
16 Settlement Class Members whose Individual Settlement Payment checks are canceled shall,
17 nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will
18 have claim preclusive impact with respect to them and all Settlement Class Members with respect to the
19 Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the
20 PAGA Employees with respect to the PAGA Settlement irrespective of whether their Individual PAGA
21 Payment checks are canceled.

22 23. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member
23 wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion
24 to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark
25 on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion
26 has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and
27 Defendant’s Counsel, the number of timely and valid Requests for Exclusion that were submitted, and
28 also identify the individuals who submitted them, in a declaration that is to be filed with the Court in

advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. All PAGA Employees will be bound by the PAGA Settlement and will be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

24. Procedures for Objecting to the Class Settlement. Class Members who have not opted out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement. To object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be signed by the Settlement Class Member and contain all information required by this Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection orally at the Final Approval Hearing, irrespective of whether they submit a written Objection. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the Objections that were timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in advance of the Final Approval Hearing.

25. Reports by the Settlement Administrator Regarding Settlement Administration. The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted Workweeks Disputes; (b) the number of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class Members who have submitted timely and complete Objections; (d) the number of undeliverable Class Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement.

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1 26. Certification of Completion. Upon completion of administration of the Settlement, the
2 Settlement Administrator will provide a written declaration under oath to certify such completion to the
3 Court and counsel for all Parties.

4 27. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each
5 Individual Settlement Share will be allocated as follows: ten percent (10%) wages and ninety percent
6 (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an
7 IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported
8 on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will withhold the
9 employee's share of taxes and withholdings with respect to the wages portion of the Individual
10 Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement
11 Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). Each
12 Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be
13 reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

14 28. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
15 will be responsible for issuing to Plaintiffs, Settlement Class Members, PAGA Employees, and Class
16 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
17 this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all
18 payroll taxes, contributions, and withholdings to the appropriate government authorities.

19 29. Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel do not
20 intend anything contained in this Settlement Agreement, the Class Notice, or any other communications
21 to Class Members or PAGA Employees regarding the Settlement to constitute advice regarding taxes or
22 taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other
23 communication regarding the Settlement be relied on as such. Plaintiffs, Settlement Class Members, and
24 PAGA Employees understand and agree that, except with respect to Employer Taxes, they will be solely
25 responsible for correctly characterizing any compensation received under the Settlement on their
26 personal income tax returns and paying any and all taxes due for any and all amounts paid to them under
27 the Settlement.

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

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

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1 32. Releases of Claims.

2 a. Class Settlement Release. Upon the Effective Date and full funding of the
3 Maximum Settlement Amount, Plaintiffs and all Class Members who do not submit a timely and valid
4 Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever
5 released, settled, compromised, relinquished, and discharged the Released Parties of and from all
6 Released Class Claims.

7 33. PAGA Settlement Release. Upon the Effective Date and full funding of the Maximum
8 Settlement Amount, Plaintiffs, the State of California with respect to PAGA Employees, and PAGA
9 Employees will be deemed to have fully, finally, and forever released, settled, compromised,
10 relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to
11 Plaintiffs and the PAGA Employees.

12 34. General Release of Claims by Plaintiffs. In addition to the above releases of claims, upon
13 the Effective Date and full funding of the Maximum Settlement Amount, Plaintiffs will be deemed to
14 have fully released and discharged the Released Parties of and from all claims arising from their
15 employment with Defendant, separation of employment from Defendant, and any acts that have or could
16 have been asserted in any legal action or proceeding against Defendant, whether known or unknown,
17 arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under the
18 California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil
19 Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California
20 Corporations Code, California Business and Professions Code, California Fair Employment and Housing
21 Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination,
22 harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation,
23 emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and
24 costs, arising on or before the date of execution of the Settlement Agreement. With respect to those claims
25 released by Plaintiffs in an individual capacity, Plaintiffs acknowledge and waive any and all rights and
26 benefits available under California Civil Code section 1542, which provides:

27 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
28 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

1 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
2 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

3 Plaintiffs understand and agree that claims or facts in addition to or different from those which are now
4 known or believed by Plaintiffs to exist may hereafter be discovered. It is Plaintiffs' intention to settle
5 fully and release all claims Plaintiffs now have against the Released Parties, whether known or unknown,
6 suspected or unsuspected, upon the Effective Date and full funding of the Maximum Settlement Amount.
7 Notwithstanding the above, this general release by Plaintiffs shall not extend to claims for workers'
8 compensation benefits, claims for unemployment benefits, or other claims that may not be released by
9 law.

10 35. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

11 Upon execution of this Settlement Agreement, Plaintiffs shall promptly obtain a hearing date for
12 Plaintiffs' motion for preliminary approval of the Settlement, and submit this Settlement Agreement to
13 the Court in support of said motion. Defendant agrees not to oppose the motion for preliminary approval
14 of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the Court for
15 the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the
16 Parties, seeking the following:

- 17 a. Conditionally certifying the Class for settlement purposes only;
- 18 b. Granting Preliminary Approval of the Settlement;
- 19 c. Preliminarily appointing Plaintiffs as representatives of the Class;
- 20 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 21 e. Approving, as to form and content, the mutually-agreed upon and proposed Class
22 Notice and directing its mailing to the Class by U.S. Mail;
- 23 f. Approving the manner and method for Class Members to request exclusion from
24 or object to the Class Settlement as contained herein and within the Class Notice; and
- 25 g. Scheduling a Final Approval Hearing at which the Court will determine whether
26 the Settlement should be finally approved as fair, reasonable, and adequate.

27 36. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
28 the Response Deadline, and with the Court's permission, a hearing will be conducted on Plaintiffs'

1 motion for final approval of the Settlement (i.e., the Final Approval Hearing), to determine whether
2 Final Approval of the Settlement should be granted, along with the amounts properly payable for
3 Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys' Fees and
4 Costs, Enhancement Payments, and Settlement Administration Costs. By way of said motion, Plaintiffs
5 will apply for the entry of the mutually-agreed-upon proposed order and judgment ("Final Approval
6 Order and Judgment"), which will provide for, in substantial part, the following:

- 7 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
8 consummation of its terms and provisions;
- 9 b. Certification of the Settlement Class;
- 10 c. Appointment of Plaintiffs as representatives of the Settlement Class;
- 11 d. Appointment of Class Counsel as counsel for the Settlement Class;
- 12 e. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 13 f. Approval of the application for Enhancement Payments to Plaintiffs;
- 14 g. Directing Defendant to fund all amounts due under the Settlement Agreement and
15 ordered by the Court; and
- 16 h. Entering judgment in this Action, while maintaining continuing jurisdiction to
17 implement the Settlement, in conformity with California Rules of Court 3.769 and the Settlement
18 Agreement.

19 37. Effects of Termination of the Settlement. In the event that the Settlement Agreement is
20 not approved by the Court, such a development shall have the following effects:

21 a. The Settlement Agreement and all negotiations, statements, and proceedings
22 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored
23 to their respective positions in the Actions prior to the execution of the Settlement Agreement;

24 b. Neither this Settlement Agreement, nor any ancillary documents, actions,
25 statements, or filings in furtherance of the Settlement (including all matters associated with the mediation)
26 shall be offered into evidence in the Actions or any other action for any purpose whatsoever; and

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1 c. Any documents generated to bring the Settlement into effect, will be null and
2 void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be
3 treated as void from the beginning.

4 38. Escalator Clause. Defendant represents that, during the period from April 26, 2015
5 through June 30, 2024, there are 53,323 Workweeks for the Class Members. If it is determined that the
6 total number of Workweeks exceed 53,323 by more than ten percent (10%) (i.e. exceeds 58,655
7 Workweeks), then, at Defendant's option either: (a) the Maximum Settlement Amount will be increased
8 on a *pro rata* basis equal to the percentage increase in the number of Workweeks above 58,655
9 Workweeks (e.g., if the threshold of 58,655 Workweeks is exceeded by 1%, the Maximum Settlement
10 Amount will increase by 1%), or, (b) the Class Period will end as of the date the ten percent (10%)
11 threshold was reached (i.e., the date on which the Workweeks total reached 58,655) and such date shall
12 be referred to as the "Alternate Class Period End Date." In the event that Defendant chooses to end the
13 Class period on the Alternate Class Period End Date, then, the PAGA Period will also end on the
14 Alternate Class Period End Date (and such date shall be referred to as the "Alternate PAGA Period End
15 Date").

16 39. Continuing Jurisdiction. After entry of judgment pursuant to the Settlement, the Court
17 will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section
18 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and
19 enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-
20 judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

21 40. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
22 terms set forth in any attached exhibits, which are incorporated by this reference as though fully set
23 forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

24 41. Limitation on Publicity. Plaintiffs and Class Counsel agree not to issue press releases and
25 engage in any publicity regarding the Settlement, except as shall be contractually required to effectuate
26 the terms of the Settlement and respond to inquiries received from Class Members and PAGA
27 Employees. However, for the limited purpose of allowing Class Counsel to prove their experience and
28 adequacy as class counsel in other actions, Class Counsel may reference the Settlement in the Actions

for such purposes. Furthermore, Plaintiffs and Class Counsel will undertake any and all disclosures and submissions required to be made to the LWDA in conformity with PAGA.

42. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section 1625 and California Code of Civil Procedure section 1856(a), and any other provisions of state or federal law, which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Settlement Agreement. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein.

43. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Actions (including, and not limited to, the deadline to bring the Actions to trial under California Code of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

44. Amendment and Waiver. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

45. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to

disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under state or federal law.

46. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Class Member execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement Class Members, and the release shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

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

48. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

49. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned copies of the signature page, will be deemed to be one and the same instrument.

50. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions, Released Class Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

51. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible

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consistent with applicable precedents so as to find all provisions of this Settlement Agreement valid and enforceable.

52. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the terms herein and agree to fully cooperate to implement the Settlement.

53. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with state, federal, local, or other applicable law.

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

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

56. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that

1 this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in
2 full by the Parties with the assistance of their respective counsel.

3 57. All Terms Subject to Final Court Approval. All amounts and procedures described in this
4 Settlement Agreement herein will be subject to final Court approval.

5 58. Notices. All notices, demands, and other communications to be provided concerning this
6 Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below,
7 or such other addresses as either Party may designate in writing from time to time:

8 To Plaintiffs and Class Counsel:

9 Arby Aiwarzian, Esq.
10 Joanna Ghosh, Esq.
11 Arman Marukyan, Esq.
12 **LAWYERS for JUSTICE, PC**
450 North Brand Blvd., Suite 900
Glendale, California 91203

To Defendant:

Daniel Klingenberger, Esq.
LAW OFFICES OF LEBEAU THELEN, LLP
5001 East Commercenter Drive, Suite 300
Bakersfield, California 93389

13 59. Final Approval Order and Judgment. The Parties shall provide the Settlement
14 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
15 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
16 sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized
17 notice of the Final Approval Order and Judgment to the Class will be required.

18 60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will
19 cooperate with each other in good faith and use their best efforts to implement the Settlement, including
20 and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of
21 this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any
22 document needed to implement the Settlement Agreement, or on any supplemental provisions that may
23 become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the
24 assistance of the Mediator and then the Court to resolve such disagreement.

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IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs and Defendant:

IT IS SO AGREED.

PLAINTIFF STEVEN NEEL

Dated: 02/18/2025

Electronically Signed 2025-02-19 03:33:38 UTC - 47.146.108.152



Nintex AssureSign® 1efc1359-7c9d-4c52-b827-a2b10155f1f5

Steven Neel, Plaintiff

PLAINTIFF KATIE MCCARLEY

Dated: _____

Katie McCarley, Plaintiff

**DEFENDANT BAKERSFIELD PIZZA WEST, INC.
DBA RUSTY'S PIZZA PARLORS**

Dated: _____

Full Name:

Title:

On behalf of Bakersfield Pizza West, Inc. dba Rusty's
Pizza Parlors

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: _____

Arman Marukyan

Attorneys for Plaintiffs Steven Neel and Katie McCarley

LAW OFFICES OF LEBEAU THELEN, LLP

Dated: _____

Daniel Klingenberger

Attorneys for Defendant Bakersfield Pizza West, Inc. dba Rusty's Pizza Parlors

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Steven Neel, et al. v. Bakersfield Pizza West, Inc. dba Rusty's Pizza Parlors
Superior Court of California for the County of Kern, Case No. BCV-19-101175

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the class settlement, your legal rights may be affected.

This Class Notice is designed to advise you of your rights and options, and how you can request to be excluded from the class settlement, object to the class settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class action settlement has been reached between Plaintiffs Steven Neel and Katie McCarley ("Plaintiffs") and Defendant Bakersfield Pizza West, Inc. dba Rusty's Pizza Parlors ("Defendant") (Plaintiffs and Defendant are collectively referred to as the "Parties") in the case entitled *Steven Neel, et al. v. Bakersfield Pizza West, Inc. dba Rusty's Pizza Parlors*, Kern County Superior Court, Case No. BCV-19-101175 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all current and former hourly-paid or non-exempt employees of Defendant in California employed during the Class Period.

"Class Member" means a member of the Class.

"Class Period" means the period from January 26, 2018 through [June 30, 2024, subject to Paragraph 38 of the Settlement Agreement].

"Class Settlement" means the settlement and resolution of all Released Class Claims (described in Section III.D below).

"PAGA Employees" means all current and former hourly-paid or non-exempt employees of Defendant in California employed during the PAGA Period.

"PAGA Settlement" means the settlement and resolution of Released PAGA Claims (described in Section III.D below).

"PAGA Period" means the period from October 5, 2021 through [June 30, 2024, subject to Paragraph 38 of the Settlement Agreement].

II. BACKGROUND OF THE ACTION

On April 26, 2019, Plaintiff Steven Neel filed a Class Action Complaint for Damages against Defendant, in the Kern County Superior Court, Case No. BCV-19-101175 ("Action").

On October 5, 2022, Plaintiff Katie McCarley provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that he contends were violated ("PAGA Notice").

On December 9, 2022, Plaintiff Katie McCarley filed a Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et. Seq.*, in the Kern County Superior Court, Case No. BCV-22-103336 ("McCarley Action").

On March 19, 2025, Plaintiffs filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et. Seq.* in the Action, incorporating Plaintiff Katie McCarley's claims from the McCarley Action, thereby consolidating the McCarley Action into the Action.

Plaintiffs allege that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide complaint wage statements, keep requisite payroll records, and reimburse business expenses. Plaintiffs further contend that the alleged violations constitute unfair business practices in violation of the California Business & Professions Code section 17200, *et seq.*, and give rise to penalties under California Labor Code section 2698, *et seq.* ("PAGA"). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law.

After investigation and analysis of the claims, the Parties engaged in good faith, arms-length negotiations, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement," "Agreement," or "Settlement Agreement").

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Settlement Administrators as the administrator of the Settlement ("Settlement Administrator"), Plaintiffs as representatives of the Class ("Class Representatives"), and the following attorneys as counsel for the Class ("Class Counsel"):

Arby Aiwazian, Esq.
Joanna Ghosh, Esq.
Arman Marukyan, Esq.
Lawyers for Justice, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiffs, Class Members, or PAGA Employees. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total settlement amount is \$425,000.00 (the "Maximum Settlement Amount"). The portion of the Maximum Settlement Amount that is available for payment to Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Maximum Settlement Amount, less the following payments which are subject to approval by the Court: (1) attorneys' fees to Class Counsel in an amount up to thirty-eight percent (38%) of the Maximum Settlement Amount (i.e., \$161,500.00 if the Maximum Settlement Amount remains \$425,000.00) and reimbursement of litigation costs and expenses incurred by Class Counsel, in an amount not to exceed \$25,000.00 (together, "Attorneys' Fees and Costs"); (2) Enhancement Payments in an amount up to \$10,000.00 each to Plaintiffs (for a total of \$20,000.00) for their services in the Action; (3) Settlement Administration Costs in an amount not to exceed \$11,000.00 to the Settlement Administrator; and (4) the amount of \$40,000.00 allocated toward civil penalties under the Private Attorneys General Act ("PAGA Amount"). The PAGA Amount will be distributed 75% (i.e., \$30,000.00) to the LWDA ("LWDA Payment") and the remaining 25% (i.e., \$10,000.00) will be distributed to PAGA Employees ("PAGA Employee Amount").

Class Members are entitled to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member was employed by Defendant as an hourly-paid or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the total number of Workweeks of all Class Members to yield the “Estimated Workweek Value” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to arrive at his or her Individual Settlement Share that he or she may be eligible to receive under the Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their payment of their final Individual Settlement Payment.

Each Individual Settlement Payment will be allocated as ten percent (10%) wages, which will be reported on an IRS Form W-2, and ninety percent (90%) penalties, interest, and non-wage damages which will be reported on an IRS Form 1099. Each Individual Settlement Payment shall be subject to reduction for the employee’s share of taxes and withholdings due on the wages portion of Individual Settlement Payment. The employer’s share of payroll taxes, including but not limited to, Medicare taxes, Social Security taxes, federal unemployment taxes, state unemployment insurance taxes, and employment training taxes, on the wages portion of the Individual Settlement Payments (“Employer Taxes”) will be paid by Defendant separately and in addition to the Maximum Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the 25% share of the PAGA Amount (“Individual PAGA Payment”), based on the number of Workweeks of each PAGA Employee during the PAGA Period. The Settlement Administrator has divided the 25% portion of the PAGA Amount allocated to PAGA Employees, i.e., \$10,000.00, by the total number of Workweeks worked by all PAGA Employees during the PAGA Period (“PAGA Workweek Value”) resulting in the PAGA Workweek Value and then multiplied each PAGA Employee’s individual Workweeks during the PAGA Period by the PAGA Workweek Value to yield his or her Individual PAGA Payment. (which is listed in Section III.C below).

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported on an IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Administrator as soon as possible to ensure your receipt of payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendant’s Records

According to Defendant’s records, you have been credited with [] Workweeks during the Class Period, i.e., from January 26, 2018 through [June 30, 2024, subject to Paragraph 38 of the Settlement Agreement].

According to Defendant’s records, you have been credited with [] Workweeks during the PAGA Period, i.e., from October 5, 2021 through [June 30, 2024, subject to Paragraph 38 of the Settlement Agreement].

If you wish to dispute the Workweeks credited to you, you must submit a written dispute that: (a) contains the case name and number of the Action, (b) is signed by you, (c) contains your full name, address, telephone number, and the last four (4) digits of your Social Security Number, (d) clearly states that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you, (e) includes information and/or attaches documentation demonstrating that the number of Workweeks that you contend should be credited to you is correct, and (f) is returned by mail to the Settlement Administrator at the specified address, postmarked on or before [the Response Deadline].

C. Your Estimated Individual Settlement Payment and/or Individual PAGA Payment

As explained above, your estimated Individual Settlement Payment and/or Individual PAGA Payment is based on the number of Workweeks credited to you during the Class Period and/or PAGA Period.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED].

The settlement approval process may take multiple months. Your Individual Settlement Payment and/or Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and/or Individual PAGA Payment (if applicable) may be higher or lower and payments will only be distributed if the Court grants final approval of the Settlement and after the Settlement goes into effect.

D. Release of Claims

Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiffs and all Class Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever, released, settled, compromised, relinquished, and discharged Released Parties of any and all Released Class Claims that he or she may have or had.

Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiffs, the State of California with respect to PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever, released, settled, compromised, relinquished, and discharged Released Parties of all Released PAGA Claims to the full extent permitted by law.

“Released Class Claims” means all claims under state, federal, or local law, arising out of the claims expressly pleaded in the Action and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been asserted based on the facts pleaded in the Action for: (1) failure to pay overtime wages under Labor Code sections 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums under Labor Code sections 226.7, 512; (3) failure to provide rest periods and/or pay rest period premiums under Labor Code section 226.7; (4) failure to pay minimum wages under Labor Code sections 1194, et seq.; (5) failure to timely pay wages upon termination under Labor Code section 203; (6) failure to timely pay wages during employment under Labor Code sections 204, 210; (7) failure to provide accurate, itemized wage statements under Labor Code section 226; (8) failure to keep requisite payroll records under Labor Code section 1174(d); (9) failure to reimburse business expenses under Labor Code sections 2800, 2802; and (10) violation of California’s unfair competition law under Business and Professions Code section 17200, et seq. based on the aforementioned.

“Released PAGA Claims” means all claims for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, et seq. that were alleged in the PAGA Notice and operative complaint in the Action or that reasonably could have been alleged based on the factual allegations in the PAGA Notice and operative complaint in the Action, arising during the PAGA Period, against any of the Released Parties, for violations of the California Labor Code, including *inter alia* sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and applicable Industrial Welfare Commission Wage Orders (including, *inter alia*, Nos. 4-2001 and 5-2001) for failure to pay all and overtime wages due; failure to provide compliant meal periods and associated premiums; failure to provide compliant rest periods and associated premiums; failure to pay all minimum wages due; failure to pay all wages timely during employment, failure to pay all wages timely at the time of termination; failure to provide complete, accurate, or properly formatted wage statements; failure to maintain requisite payroll records; and failure to reimburse business expenses.

“Released Parties” means Defendant and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class Members or PAGA Employees as well as each of their officers, directors, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns or legal representatives.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to thirty-eight percent (38%) of the Maximum Settlement Amount (*i.e.*, an amount of up to \$161,500.00, if the Maximum Settlement Amount remains \$425,000.00) and reimbursement of litigation costs and expenses in an amount of up to \$25,000.00 (together, "Attorneys' Fees and Costs"), subject to approval by the Court. The Attorneys' Fees and Costs granted by the Court will be paid from the Maximum Settlement Amount. Class Counsel has been prosecuting the Action and McCarley Action on behalf of Plaintiffs, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payments to Plaintiffs

Plaintiffs will seek the amount of \$10,000.00 each (for a total of \$20,000.00) ("Enhancement Payments"), in recognition of their services in connection with the Action. The Enhancement Payments will be paid from the Maximum Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to any Individual Settlement Payment and Individual PAGA Payment (if applicable) that they are entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed \$11,000.00 ("Settlement Administration Costs") for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notice of Objections, and Workweeks disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Maximum Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Class Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and the contemplated judgment to be entered by the Court based thereon if the Court grants final approval of the Settlement, and you will be deemed to have released the Released Class Claims described in Section III.D above.

If you are a PAGA Employee, you will automatically be bound to the PAGA Settlement and issued your Individual PAGA Payment.

As a Class Member and/or PAGA Employee, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you may seek exclusion from the Class Settlement by submitting a written request ("Request for Exclusion"), which must: (a) contain the case name and number of the Action, (b) be signed by you, (c) contain your full name, address, telephone number, and the last four (4) digits of your Social Security Number, (d) clearly state that you do not wish to be included in the Class Settlement, and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked by **on or before [Response Deadline]** at the following address:

[Settlement Administrator]
[Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive an Individual Settlement Payment from the Class Settlement, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object

to, appeal, or comment on the Class Settlement. Class Members who do not submit a Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of Released Class Claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. However, consistent with applicable law, PAGA Employees may not exclude themselves from the PAGA Settlement, including those pertaining to the release of Released PAGA Claims described in Section III.D above, and any judgment that may be entered by the Court (as it pertains to the PAGA Settlement) if it grants final approval of the Settlement.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection (“Notice of Objection”) to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

A Notice of Objection must: (a) include the case name and number of the Action; (b) include your full name, signature address, telephone number, and last four (4) digits of your Social Security number; (c) include a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) attach copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Division H of the Kern County Superior Court, located at the Metropolitan Division Justice Building, 1215 Truxton Ave., Bakersfield, California 93301, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys’ Fees and Costs to Class Counsel, Enhancement Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

Please visit the Court’s website for the most up-to date information for any requirements that may apply for accessing Court facilities: <https://www.kern.courts.ca.gov/>.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action for a fee by visiting the civil clerk’s office, located at Metropolitan Division Justice Building, 1215 Truxton Ave., Bakersfield, California 93301, during regular business hours, or online by visiting the following website: <https://odyprodportal.kern.courts.ca.gov/portalprod>

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**