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

LIZETTE RUELAS, 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;
LATIDA DANIELS, 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;
KENYATTA CARTER, 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,

v.

LY BROTHERS CORPORATION D/B/A
SUGAR BOWL BAKERY, a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: RG19001774

Honorable Noël Wise
Department 21

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

Date:
Time:
Place: Department 21

Complaint Filed: January 8, 2019
FAC Filed: March 11, 2019
SAC Filed: June 21, 2019
TAC Filed: February 22, 2023
Trial Date: September 30, 2024

1 IT IS HEREBY STIPULATED, by and between Plaintiffs Lizette Ruelas and Kenyatta
2 Carter (collectively, “Plaintiffs”), individually, and on behalf of the Settlement Class, and
3 Defendant Ly Brothers Corporation d/b/a Sugar Bowl Bakery (“Defendant”), and subject to the
4 approval of the Court, that the Action (as defined below) is hereby compromised and settled
5 pursuant to the terms and conditions set forth in this Class Action and PAGA Settlement and
6 Release of Claims (“Agreement”). The Court shall make and enter judgment subject to the
7 definitions, recitals, and terms set forth in this Agreement which by this reference.

8 **I. DEFINITIONS**

9 A. “Action” or “Lawsuit” shall mean, the civil action entitled *Lizette Ruelas, et al.*,
10 filed on January 8, 2019, in the Alameda County Superior Court, and assigned Case No.
11 RG19001774.

12 B. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class
13 Action and PAGA Settlement and Release of Claims.

14 C. “Aggrieved Employees” is used interchangeably with “Relevant PAGA
15 Employees” and means all persons currently or formerly employed by Defendant in the State of
16 California or upon assignment through temporary labor relationships with Chartwell Staffing
17 Services, Inc. and Partners Personnel – Management Services, LLC, as hourly paid non-exempt
18 employees during the PAGA Period

19 D. “Class Counsel” means the attorneys of record for the Class Representatives and
20 Relevant Class Employees, *i.e.*, Joanna Ghosh of Lawyers for Justice, PC, 410 West Arden
21 Avenue, Suite 203, Glendale CA 91203, and Zack I. Domb, Devin E. Rauchwerger, and Jeffrey
22 P. Jackson of Domb & Rauchwerger LLP, 1055 E. Colorado Blvd., Fifth Floor, Pasadena, CA
23 91106.

24 E. “Class Counsel Award” means an award of attorneys’ fees, expenses and costs
25 granted to Class Counsel and paid from the Total Settlement Amount in recognition of their efforts
26 and risks in assisting with the prosecution of the Action.

27 F. “Class Data” means information regarding the Relevant Class Employees and
28 Relevant PAGA Employees that Defendant will compile from its available, existing, electronic

records and provide to the Settlement Administrator. The Class Data shall be formatted as a Microsoft Excel spreadsheet and shall include each Relevant Class Employees' and each Relevant PAGA Employees': (i) full name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; (v) dates of employment, including termination date(s), if any; and (vi) the number of Qualified Workweeks (for Relevant Class Employees) and the number of Qualified PAGA Pay Periods (for Relevant PAGA Employees) worked by the Relevant Class Employees and Relevant PAGA Employees in the State of California during the Class Period and PAGA Period, respectively.

G. "Class Period" shall mean the time period from January 8, 2015 to July 1, 2023 or the date on which the number of Qualified Workweeks worked by Relevant Class Employees totals 125,000, whichever comes first.

H. "Class Representative Service Awards" means the amount that the Court authorizes to be paid to Plaintiffs from the Total Settlement Amount, in addition to their Individual Settlement Payments and Individual PAGA Payments, in recognition of their efforts and risks in assisting with the prosecution of the Action and in exchange for executing a General Release of Defendant.

I. "Class Representatives" means the named Plaintiffs in this lawsuit, Lizette Ruelas and Kenyatta Carter. The term "Class Representatives" does not include Latida Daniels, who dismissed her claims against Defendant but who will be a Settlement Class Member in the event she does not file a Request for Exclusion from the Settlement.

J. "Court" means the Alameda County Superior Court for the State of California.

K. "Defendant" means Ly Brothers Corporation d/b/a Sugar Bowl Bakery and its past, present, and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, related companies, predecessors, successors, assigns, and joint venturers.

L. "Defense Counsel" shall mean Evan R. Moses and Paul M. Smith of Ogletree, Deakins, Nash, Smoak & Stewart, P.C., 400 South Hope Street, Suite 1200, Los Angeles,

California 90071.

M. “Effective Date” shall be the later of the following: (i) If no objections to the settlement have been filed, or the timely objections have been filed and then withdrawn, then the date the Court enters judgment granting Final Approval; (ii) If an objection to the settlement has been filed, then the date on which time expires to file an appeal of the Court’s grant of Final Approval of settlement; or if an objection was filed and a Notice of Appeal of the Court’s grant of Final Approval of settlement was timely filed, then the date the appeal is finally resolved, with the final approval unaffected.

N. “Final Approval Order” means the Court’s order granting final approval of the Settlement.

O. “Individual PAGA Payment” means the pro rata share of the 25% PAGA Penalty Amount payable to Relevant PAGA Employees determined by the number of Qualified PAGA Pay Periods worked by the Relevant PAGA Employees during the PAGA Period.

P. “Individual Settlement Payment” means the pro rata share of the Net Settlement Amount payable to Relevant Class Employees determined by the number of Qualified Workweeks worked by the Relevant Class Employees during the Class Period.

Q. “LWDA PAGA Notice Letters” means the letters submitted by Plaintiffs and Latida Daniels to the California Labor & Workforce Development Agency, PAGAFilings@dir.ca.gov pursuant to Labor Code § 2699.3(a)(1)(A)-(C) as prerequisites to filing suit under PAGA, including: (1) Plaintiff Ruelas’s letter dated January 4, 2019; (2) Latida Daniels’ letter dated February 21, 2019; and Plaintiff Carter’s letter dated October 3, 2022.

R. “Net Settlement Amount” or “NSA” means the Total Settlement Amount, less the Class Representative Service Awards, the Class Counsel Award, PAGA Penalty Payment, and the Settlement Administration Costs, and any award of costs or reimbursements to Class Counsel or Plaintiffs.

S. “Notice Packet” means the Notice of Class Action and PAGA Settlement in a form substantially similar to the form attached hereto as Exhibit 1.

T. “PAGA” means the California Labor Code Private Attorneys General Act of 2004,

1 California Labor Code §§ 2698, *et seq.*.

2 U. “PAGA Penalty Amount” means \$135,000 taken from the Total Settlement
3 Amount and to be made payable as 75% (\$101,250) to the LWDA and 25% (\$33,750) to the
4 Relevant PAGA Employees.

5 V. “PAGA Period” shall mean the time period from January 4, 2018 to July 1, 2023
6 or the date on which the number of Qualified Workweeks worked by Relevant Class Employees
7 totals 125,000, whichever comes first.

8 W. “Parties” means Plaintiffs and Defendant, collectively, and “Party” shall mean
9 either Plaintiffs or Defendant, individually.

10 X. “Payment Ratio” means the respective Qualified Workweeks for each Settlement
11 Class Member divided by the total Qualified Workweeks for all Settlement Class Members and
12 the respective Qualified PAGA Pay Periods divided by the total Qualified PAGA Pay Periods for
13 all Relevant PAGA Employees.

14 Y. “Plaintiffs” shall mean the named Plaintiffs in this action, Lizette Ruelas and
15 Kenyatta Carter.

16 Z. “Preliminary Approval Date” means the date the Court enters an order granting
17 preliminary approval of the Settlement.

18 AA. “Qualified PAGA Pay Periods” shall mean the number calculated by (a)
19 determining the total number of bi-weekly pay periods during which a particular Relevant PAGA
20 Employee actually performed work for Defendant during the PAGA Period and (b) dividing that
21 number by the total number of bi-weekly pay periods during which the Relevant PAGA
22 Employees actually performed work during the PAGA Period. The Settlement Administrator will
23 have sole and exclusive responsibility for calculating the number of Qualified PAGA Pay Periods
24 during the PAGA Period.

25 BB. “Qualified Settlement Fund” or “QSF” means the qualified settlement fund set up
26 by the Settlement Administrator into which the Total Settlement Amount plus any employer-
27 provided payroll taxes shall be deposited and from which disbursements shall be made.

28 CC. “Qualified Workweeks” shall mean the number calculated by (a) determining the

1 total number of workweeks during which a particular Relevant Class Employee actually
2 performed work for Defendant during the Class Period and (b) dividing that number by the total
3 number of workweeks during which the Relevant Class Employees actually performed work
4 during the Class Period. The Settlement Administrator will have sole and exclusive responsibility
5 for calculating the number of Qualified Workweeks during the Class Period.

6 DD. "Released Claims" means all causes of action and factual or legal theories that
7 were alleged in the operative complaint in the Action or which reasonably could have been alleged
8 based on the facts and legal theories contained in the operative complaint during the Class Period,
9 including, but not limited to, all claims for relief concerning: (a) failure to pay or properly
10 calculate all wages owed, including minimum wages, straight time wages, overtime wages,
11 double-time wages, reporting time wages, incentive compensation and premium pay, the regular
12 rate of pay for overtime or other wages requiring regular rate adjustments for, among other
13 reasons, incentive compensation and shift differentials, and all other allegedly unpaid wages for
14 off-the-clock work including pre-and-post-shift work, donning and doffing, and work during meal
15 periods, and or any other unpaid wages; (b) failure to provide compliant meal periods or premium
16 pay in lieu thereof and to properly calculate premium pay in satisfaction of non-compliant meal
17 periods; (c) failure to provide compliant rest periods or premium pay in lieu thereof and to
18 properly calculate premium pay in satisfaction of non-compliant rest periods; (d) failure to timely
19 pay all wages due and owing upon separation or termination of employment; (e) failure to timely
20 pay all wages owed during employment; (f) failure to maintain and provide accurate records and
21 complete/accurate/properly formatted itemized wage statements; (g) failure to make payment of
22 wages on a proper pay cycle; (h) failure to reimburse all reasonably and necessary business-
23 related expenses and costs; (i) unfair business practices in violation of California Business and
24 Professions Code § 17200 *et seq.*; (g) any other claims or penalties under the wage and hour laws
25 pleaded in the Action; and (h) all damages, penalties, interest, fees, and other amounts recoverable
26 under the claims, causes of action or legal theories of relief described above as may be available
27 under California and federal law to the extent permissible. The period of the Release shall extend
28 to the limits of the Class Period. The *res judicata* effect of the Judgment will be the same as that

1 of the Release. The definition of Released Claims shall not be limited in any way by the possibility
2 that Plaintiffs or Settlement Class Members may discover new facts, legal theories, or legal
3 arguments not alleged in the operative complaint but which might serve as an alternative basis for
4 pursuing the same claims, causes of action, or legal theories of relief falling within the definition
5 of Released Claims.

6 EE. "PAGA Released Claims" means the claims that Plaintiffs, as agents and proxies
7 of the LWDA, will release the Released Parties from, with respect to all claims for civil penalties
8 under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code
9 section 2698, et seq., based on or arising out of alleged violations of the Labor Code sections
10 alleged in the PAGA letters sent to the LWDA on January 4, 2019; February 21, 2019; and
11 October 3, 2022, including claims for PAGA penalties based on alleged (1) failure to pay wages
12 (including minimum and overtime wages, and as a result of issues purportedly related to rounding,
13 bonuses and donning and doffing protective gear); (2) failure to provide meal periods and pay
14 meal period premiums; (3) failure to provide rest periods and pay rest period premiums; (4) failure
15 to timely pay wages upon termination; (5) failure to timely pay wages during employment; (6)
16 failure to provide compliant wage statements; (7) failure to keep requisite payroll records; (8)
17 failure to reimburse necessary business expenses; (9) failure to pay reporting time pay; and (10)
18 failure to provide adequate days of rest.

19 FF. "Released Parties" means Defendant Ly Brothers Corporation d/b/a Sugar Bowl
20 Bakery, Chartwell Staffing Services, Inc., and Partners Personnel – Management Services, LLC
21 and all of their past, present and/or future, direct and/or indirect, subsidiaries, parents, divisions,
22 related entities, joint venturers, predecessors, successors, insurers, assigns, consultants,
23 subcontractors, their employee benefit plans and the trustees, fiduciaries, and administrators of
24 those plans, and any of their current or former employees, officers, directors, servants, agents,
25 investors, representatives, attorneys, executors, administrators, and assigns, and all persons acting
26 under, by, through, or in concert with any of them, and each of them.

27 GG. "Relevant Class Employees" means all current and former hourly-paid non-
28 exempt employees of Defendant and those employees of Chartwell Staffing Services, Inc. and

Partners Personnel – Management Services, LLC, who performed work for Defendant in California during the Class Period.

HH. “Relevant PAGA Employees” means all current and former hourly-paid non-exempt employees of Defendant and those employees of Chartwell Staffing Services, Inc. and Partners Personnel – Management Services, LLC, who performed work for Defendant in California during the PAGA Period.

II. “Request for Exclusion” refers to a formal request to be excluded from the Settlement as described in detail in

JJ. “Response Deadline” means the date sixty (60) days after the Settlement Administrator mails Notice Packets to Settlement Class Members and the last date on which Settlement Class Members may submit Requests for Exclusion or objections to the Settlement.

KK. “Settlement” means the disposition of the Action pursuant to this Agreement.

LL. “Settlement Administrator” means Phoenix Settlement Administrators.

MM. “Settlement Class” and/or “Settlement Class Members” means all Relevant Class Employees that do not submit a valid Request for Exclusion and all Relevant PAGA Employees, regardless of whether they submit a valid Request for Exclusion. Settlement Class Members will release all of the Released Claims and be bound by all terms of the Settlement and any final judgment entered in this Action.

NN. “Total Settlement Amount” means nine hundred thousand dollars and zero cents (\$900,000.00), which sum includes all payments contemplated by this Agreement, including but not limited to: the Individual Settlement Payments, the Class Representative Service Award, the Class Counsel Award, the PAGA Penalty Amount, and the Settlement Administration Costs, and any award of costs or reimbursements to Class Counsel or Plaintiffs. This is a non-reversionary settlement. Excluding only Defendants’ employer payroll taxes and other required withholdings on the portion of the Individual Settlement Payments allocated to wages, Defendant shall not be liable for more than the Total Settlement Amount under this Agreement.

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II. RECITALS

A. Class Certification. The Parties stipulate and agree to certification for purposes of this Settlement only. This Agreement is subject to the approval of the Court and is made for the sole purpose of consummating settlement of the Action. Should the Settlement not become final and effective as herein provided, class certification shall immediately be set aside and the Settlement Class immediately decertified (subject to further proceedings on motion of any party to certify or deny certification thereafter). The Parties' willingness to stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in or considered in connection with, the issue of whether a class should be certified in a non-settlement context in this Action and shall have no bearing on, and shall not be admissible or considered in connection with, the issue of whether a class should be certified in any other lawsuit.

B. Procedural History.

1. Plaintiff Ruelas' Complaint. On January 8, 2019 Plaintiff Ruelas filed a putative class action complaint asserting claims against Defendant for alleged violations of the California Labor Code, including failure to pay all wages, including minimum wage, straight time wages, overtime wages, double time wages, reporting time wages, and premium pay, failure to provide proper meal periods or premium payments in lieu thereof, failure to provide proper rest periods or premium payments in lieu thereof, failure to timely pay final wages and waiting time penalties, failure to provide complete, accurate, or properly formatted wage statements, failure to maintain accurate employment and payroll records, failure to reimburse reasonable and necessary business expenses, and claims for restitution under California Business & Professions Code sections 17200, et seq. for unfair competition, and claims for interest, attorneys' fees and costs. The complaint was first filed in the Alameda County Superior Court, Case No. RG19001774.

2. The First Amended Complaint. On March 11, 2019, Plaintiff Ruelas filed a first amended putative class action complaint (the "FAC"). The FAC dismissed a statutory claim for failure to maintain accurate employment and payroll records, adding Latida Daniels as an additionally named Plaintiff, and asserted a cause of action for civil penalties under the Private Attorneys General Act ("PAGA") for: failure to pay all wages, including minimum wage, straight

time wages, overtime wages, double time wages, reporting time wages, and premium pay, failure to provide proper meal periods or premium payments in lieu thereof, failure to provide proper rest periods or premium payments in lieu thereof, failure to timely pay final wages and waiting time penalties, failure to timely pay wages earned during employment; failure to provide complete, accurate, or properly formatted wage statements, failure to maintain accurate employment and payroll records, and failure to reimburse reasonable and necessary business expenses.

3. The Second Amended Complaint. On June 21, 2019, Plaintiffs Ruelas and Daniels filed a second amended putative class action complaint (the “SAC”). The SAC added Daniels as a private attorney general under PAGA.

4. The Third Amended Complaint. On or about February 22, 2023, Plaintiffs Ruelas and Carter filed a third amended putative class action complaint (the “TAC”). The TAC added Plaintiff Carter as a named class representative and an additional private attorney general under PAGA. Critically, Plaintiff Carter worked on a temporary employment assignment through Chartwell Staffing Services, Inc. The TAC thus sought to expand the scope of the claims previously asserted against Defendant to include such claims on behalf of putative class members employed by Defendant through temporary labor service providers, including Chartwell Staffing Services, Inc. The TAC is now the operative complaint in the Action. The TAC does not include Latida Daniels who was dismissed from the Action prior to the filing of the TAC.

C. Mediation and Settlement Negotiations.

1. Mediation 1. On August 27, 2019, the Parties participated in a private mediation with Tripper Ortman, Esq., a well-respected class and representative action mediator. The mediation occurred after an extensive exchange of formal and informal discovery, including mediation data. The mediation did not result in settlement and litigation continued.

2. Mediation 2. On February 20, 2020, the Parties participated in a private mediation with Steven J. Serratore, Esq., a well-respected class and representative action mediator. The mediation occurred after continued discovery and an exchange of updated mediation data. The mediation did not result in settlement and the litigation continued.

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1 3. Final Settlement Discussions. The Parties continued to litigate this matter
2 between February 2020 and March 2024. During such time, further discovery and depositions
3 were conducted and significant motion practice ensued. The Parties continued to exchange
4 updated data concerning the putative class size and relevant statistics concerning the same, and
5 maintained open dialogue concerning the possibility of settlement. Finally, on or about March 26,
6 2024, the Parties reached an agreement on the terms of settlement and executed a Memorandum
7 of Agreement memorializing the essential terms of their Agreement on April 17, 2024. This Joint
8 Stipulation of Settlement will displace the Memorandum of Agreement and is intended to resolve
9 this Action in its entirety, pursuant to the terms provided herein.

10 D. Benefits of Settlement to Settlement Class Members. Plaintiffs and Class Counsel
11 recognize the expense and length of continued proceedings necessary to litigate their disputes
12 through trial and through any possible appeals. Plaintiffs have also taken into account the
13 uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent
14 in such litigation. Plaintiffs and Class Counsel are also aware of the burdens of proof necessary
15 to establish liability for the claims asserted in the Action, both generally and in response to
16 Defendant's defenses thereto, and the difficulties in establishing damages for the Class Members.
17 Based on the foregoing, Plaintiffs and Class Counsel have determined that the terms set forth in
18 this Agreement is a fair, adequate and reasonable settlement, and is in the best interests of the
19 Settlement Class Members.

20 E. Defendant's Reasons for Settlement. Defendant has concluded that any further
21 defense of this litigation would be protracted and expensive for all Parties. Substantial amounts
22 of Defendant's time and resources have been and, unless this Settlement is made, will continue to
23 be devoted to the defense of the claims asserted by Plaintiffs and Class Members. Defendant has
24 also taken into account the risks of further litigation in reaching its decision to enter into this
25 Settlement. Despite continuing to contend that it is not liable for any of the claims set forth by
26 Plaintiffs, Defendant has, nonetheless, agreed to settle in the manner and upon the terms set forth
27 in this Agreement to put to rest the claims as set forth in the Action.

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1 F. Class Members' Claims. The Class Representatives claim that their allegations
2 have merit and give rise to liability on the part of Defendant. This Agreement is a compromise
3 of disputed claims. The monies being paid as part of the settlement are genuinely disputed and
4 the Parties agree that the provisions of Labor Code section 206.5 are not applicable to this
5 Settlement. Nothing contained in this Agreement and no documents referred to herein and no
6 action taken to carry out this Agreement may be construed or used as an admission by or against
7 the Class Members or Class Counsel as to the merits or lack thereof of the claims asserted.

8 G. Defendant's Defenses. Defendant claims that the Released Claims have no merit
9 and do not give rise to liability. This Agreement is a compromise of disputed claims. The monies
10 being paid as part of the settlement are genuinely disputed and the Parties agree that the provisions
11 of Labor Code section 206.5 are not applicable to this Settlement. Nothing contained in this
12 Agreement and no documents referred to herein and no action taken to carry out this Agreement
13 may be construed or used as an admission by or against Defendant as to the merits or lack thereof
14 of the claims asserted.

15 **III. TERMS OF AGREEMENT**

16 A. Settlement Consideration by Defendant. Defendant shall pay the monetary sums
17 specified in this Agreement, up to the Total Settlement Amount plus any employer side payroll
18 taxes. The Parties agree that this is a non-reversionary Settlement Therefore, any sums not
19 distributed .

20 B. Limited Release By All Settlement Class Members. As of the Effective Date, in
21 exchange for the consideration set forth in this Settlement Agreement, Settlement Class Members
22 will be deemed to have, and by operation of the Final Approval Order and Judgment, will have,
23 expressly waived and released the Released Parties of the Released Claims (as defined above) to
24 the fullest extent permitted by the law, whether known or unknown and irrespective of the factual
25 bases for such claims. To be clear, though, the scope of this release is limited to the Released
26 Claims. Plaintiffs and the Settlement Class Members may hereafter discover facts or legal
27 arguments in addition to, or different from those they now know or currently believe to be true
28 with respect to the Released Claims, causes of action, and legal theories of recovery asserted in

1 this Action. Regardless, the discovery of new facts or legal arguments concerning the Released
2 Claims shall in no way limit the scope or definition of the Released Claims, and by virtue of this
3 Agreement, Plaintiffs and the Settlement Class Members shall be deemed to have, and by
4 operation of the Final Approval Order and Judgment, have fully, finally, and forever settled and
5 released all of the Released Claims. The Parties understand and specifically agree that the scope
6 of the release described in this paragraph is a material part of the consideration for this Agreement,
7 was critical in justifying the agreed upon economic value of this settlement, and without it,
8 Defendant would not have agreed to the consideration provided. The Parties also understand and
9 agree that the release described in this paragraph is narrowly drafted and necessary to ensure to
10 ensure that Defendant is obtaining peace of mind regarding the resolution of claims that were, or
11 could have been alleged based on the facts, causes of action, and legal theories, contained in the
12 operative complaint in the Action.

13 C. General Release By Plaintiffs. As of the Effective Date, and in consideration for
14 the consideration set forth in this Agreement, Plaintiffs, for themselves and their heirs, successors
15 and assigns, hereby waive, release, acquit and forever discharge the Released Parties, from any
16 and all claims, actions, charges, complaints, grievances and causes of action, of whatever nature,
17 whether known or unknown, which exist or may exist on Plaintiffs' behalf as of the date of this
18 Agreement, including but not limited to any and all tort claims, contract claims, wage claims,
19 wrongful termination claims, disability claims, benefit claims, public policy claims, retaliation
20 claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy
21 claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims arising
22 under any federal, state or other governmental statute, law, regulation or ordinance, including, but
23 not limited to claims for violation of the Fair Labor Standards Act, the California Labor Code, the
24 Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the
25 Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the
26 Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the
27 California Fair Employment and Housing Act, the California Family Rights Act, the Family
28 Medical Leave Act, California's Whistleblower Protection Act, California Business &

1 Professions Code Section 17200 et seq., and any and all claims arising under any federal, state or
2 other governmental statute, law, regulation or ordinance. Plaintiffs hereby expressly waive and
3 relinquish any and all claims, rights or benefits that they may have under California Civil Code §
4 1542, which provides as follows: “ “A general release does not extend to claims that the creditor
5 or releasing party does not know or suspect to exist in his or her favor at the time of executing the
6 release, and that, if known by him or her, would have materially affected his or her settlement
7 with the debtor or Released Party.” Plaintiffs may hereafter discover claims or facts in addition
8 to, or different from, those which they now know or believe to exist, but they expressly agree to
9 fully, finally and forever settle and release any and all claims against the Released Parties, known
10 or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other
11 at the time of execution of this Agreement, including, but not limited to, any and all claims relating
12 to or arising from Plaintiffs’ employment with Defendant and/or the Released Parties. The Parties
13 further acknowledge, understand and agree that this representation and commitment is essential
14 to the Agreement and that this Agreement would not have been entered into were it not for this
15 representation and commitment.

16 D. ADEA Waiver by Plaintiff Carter. Without limiting the scope of this Agreement,
17 Plaintiff Carter agrees that this Agreement constitutes a knowing and voluntary waiver of any and
18 all rights or claims that exist or that Plaintiff Carter may claim to have under the Age
19 Discrimination in Employment Act (“ADEA”), as amended by the Older Workers’ Benefit
20 Protection Act of 1990 (29 U.S.C. §§ 621, et seq.). Plaintiff Carter acknowledges all of the
21 following:

22 1. The consideration provided pursuant to this Agreement is in addition to
23 any consideration that she would otherwise be entitled to receive;

24 2. Plaintiff Carter has been and is advised in writing to consult with an
25 attorney prior to signing this Agreement;

26 3. Plaintiff Carter has been provided a full and ample opportunity to study
27 this Agreement, including a period of at least twenty-one (21) calendar days within which to
28 consider it;

1 4. To the extent that Plaintiff Carter takes fewer than twenty-one (21)
2 calendar days to consider this Agreement prior to signing it, she acknowledges that she had
3 sufficient time to consider this Agreement with legal counsel and that she expressly, voluntarily
4 and knowingly waives any additional time;

5 5. Plaintiff Carter agrees that any changes made to the Agreement during the
6 twenty-one (21) day period (whether material or immaterial) do not restart the running of the
7 twenty-one (21) day period; and

8 6. Plaintiff Carter is aware of her right to revoke this waiver of claims under
9 the ADEA any time within the seven (7) calendar-day period following the date Plaintiff Carter
10 signs this Agreement and that the waiver of claims under the ADEA shall not become effective
11 or enforceable until the seven (7) calendar-day revocation period expires. Notwithstanding
12 Plaintiff Carter's right to revoke the waiver of claims under the ADEA, the remainder of the terms
13 of this Agreement shall become effective and enforceable as of the date that the Parties sign this
14 Agreement unless otherwise revoked by Defendant in accordance with the provisions of
15 Paragraph III.Q.2, below.

16 7. To be effective, timely notice of revocation of the waiver of ADEA claims
17 must be made in writing and delivered to Defendants through its counsel, Evan Moses, Esq., at
18 Ogletree Deakins Nash Smoak & Stewart, P.C., 400 South Hope Street, Suite 1200, Los Angeles,
19 California 90017, no later than the seventh (7th) day after Plaintiff Carter executes this
20 Agreement. Plaintiff Carter agrees to keep written documentation proving that she revoked this
21 Agreement as provided in this section, either by keeping the documents attesting to the delivery
22 of the revocation, or verification that the writing was, in fact, received.

23 E. Conditions Precedent: This Settlement will become final and effective only upon
24 the occurrence of all of the following events:

- 25 1. The Court enters an order granting preliminary approval of the Settlement;
26 2. The Court enters an order granting final approval of the Settlement and a
27 Final Judgment;
28 3. The Final Effective Date occurs;

4. Defendant does not invoke its right to revoke the Settlement as described in Paragraph Q. (“Defendant’s Option to Revoke Settlement”) herein; and

5. Plaintiff Carter does not revoke the waiver of claims under the ADEA.

F. Nullification of Settlement Agreement. In the event that this Settlement Agreement is not preliminarily or finally approved by the Court and the Court indicates that it will not approve the essential terms of the agreement, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the claims as described herein:

1. This Settlement Agreement shall be void ab initio and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;

2. The conditional class certification (obtained for any purpose) shall be void ab initio and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;

3. The statute of limitations for bringing this action to trial will resume as of the date the Parties’ finally executed the Memorandum of Agreement (i.e., April 17, 2024); and

4. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses or arguments in the Action, including with respect to the issue of class certification.

G. Certification of the Settlement Class. The Parties stipulate to conditional class certification of the Settlement Class for the Class Period for purposes of settlement only and only as follows:

1. Plaintiffs Ruelas and Carter shall be appointed as Class Representatives.

2. The Parties stipulate that Lawyers for Justice, PC and Domb & Rauchwerger LLP shall be appointed Class Counsel.

3. In the event that this Settlement is not approved by the Court and the Court indicates that it will not approve the essential terms of the agreement, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant

1 from obtaining a complete resolution of the claims as described herein, the conditional class
2 certification (obtained for any purpose) shall be void ab initio and of no force or effect, and shall
3 not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with
4 respect to any issue, substantive or procedural.

5 H. Tax Liability. The Parties make no representations as to the tax treatment or legal
6 effect of the payments called for hereunder, and Settlement Class Members are not relying on any
7 statement or representation by the Parties in this regard. Settlement Class Members understand
8 and agree that they will be responsible for the payment of any taxes and penalties assessed on the
9 Individual Settlement Payments described herein and will be solely responsible for any penalties
10 or other obligations resulting from their personal tax reporting of Individual Settlement Payments.

11 I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this
12 section, the “acknowledging party” and each Party to this Agreement other than the
13 acknowledging party, an “other party”) acknowledges and agrees that: (1) no provision of this
14 Agreement, and no written communication or disclosure between or among the Parties or their
15 attorneys and other advisers, is or was intended to be, nor shall any such communication or
16 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United
17 States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging
18 party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for
19 advice (including tax advice) in connection with this Agreement, (b) has not entered into this
20 Agreement based upon the recommendation of any other Party or any attorney or advisor to any
21 other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney
22 or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging
23 party, and (3) no attorney or adviser to any other Party has imposed any limitation that protects
24 the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of whether such
25 limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or
26 tax structure of any transaction, including any transaction contemplated by this Agreement.

27 J. Preliminary Approval Motion. At the earliest practicable time, but no later than
28 August 14, 2024, Plaintiffs shall file with the Court a Motion for Order Granting Preliminary

1 Approval and supporting papers, which shall include this Settlement Agreement. Plaintiffs shall
2 provide a courtesy draft of these papers to Defense Counsel at least 7 calendar days before filing
3 the documents.

4 K. Settlement Administrator. By accepting the role as Settlement Administrator, the
5 Settlement Administrator is bound to all of the terms, conditions and obligations described in this
6 Settlement Agreement. Among these obligations, the Settlement Administrator shall have sole
7 and exclusive responsibility for: calculating Qualified Workweeks and Qualified PAGA Pay
8 Periods and Individual Settlement Payments and Individual PAGA Payments; processing and
9 mailing payments to the Class Representatives, Class Counsel, the LWDA, and Settlement Class
10 Members; printing and mailing the Notice Packets to the Class Members as directed by the Court;
11 receiving and reporting objections, opt outs, Requests for Exclusion, and Notices of Objection,
12 deducting all legally required taxes from Individual Settlement Payments and distributing tax
13 forms for Individual Settlement Payments and Individual PAGA Payments; processing and
14 mailing any tax payments to the appropriate state and federal taxing authorities; providing
15 declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and
16 other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to
17 perform. The Settlement Administrator shall keep the Parties timely apprised of the performance
18 of all Settlement Administrator's responsibilities. Defendant and Defense Counsel shall have no
19 responsibility for validating or ensuring the accuracy of the Settlement Administrator's work.
20 Plaintiffs, Class Counsel, Defendant and Defense Counsel shall not bear any responsibility for
21 errors or omissions in the calculation or distribution of the Individual Settlement Payments
22 Individual PAGA Payments, or any other distribution of monies contemplated by this Agreement.

23 L. Notice Procedure.

24 1. Class Data. The Class Data shall be confidential. The Settlement
25 Administrator shall not provide the Class Data to Class Counsel or Plaintiffs or any third party,
26 or use the Class Data or any information contained therein for any purpose other than to
27 administer this Settlement. Defendant shall provide the Settlement Administrator with the Class
28 Data for purposes of preparing and mailing Notice Packets to Settlement Class Members. This

1 shall take place within fourteen (14) calendar days after the later of: (a) the date the court signs
2 the Preliminary Approval Order; or (b) the date on which Defendant receives sufficient and
3 reasonable written assurance that the Settlement Administrator will maintain the confidentiality
4 of the Class Data.

5 2. Notice Packets.

6 a) The Notice of Class Action and PAGA Settlement mailed out to
7 Class Members (the “Notice Packet”) shall be in a form substantially similar to the form attached
8 hereto as Exhibit 1. The Notice Packet shall also inform Settlement Class Members to keep the
9 Settlement Administrator apprised of their current mailing addresses, to which the Settlement
10 Administrator will send Settlement Payments following the Effective Date. The Notice Packet
11 shall set forth the release to be given by all members of the Settlement Class who do not request
12 to be excluded from the Settlement Class in exchange for an Individual Settlement Payment.

13 b) The Notice Packet shall be individualized by inclusion of the
14 Settlement Class Member’s number of Qualified Workweeks and, if applicable, number of
15 Qualified PAGA Pay Periods, calculated by the Settlement Administrator, and the Settlement
16 Administrator’s calculation of their estimated Individual Settlement Payment, if they do not
17 request to be excluded from the Settlement, and if applicable, their estimated Individual PAGA
18 Payment from which they cannot request exclusion.

19 3. Notice By First Class U.S. Mail. Upon receipt of the Class Data, the
20 Settlement Administrator will perform a search based on the National Change of Address
21 Database to update and correct any known or identifiable address changes. No later than fourteen
22 (14) calendar days after receiving the Class Data from Defendant as provided herein, the
23 Settlement Administrator shall mail copies of the Notice Packet to all Settlement Class Members
24 via regular First Class U.S. Mail. The Settlement Administrator shall exercise its best judgment
25 to determine the current mailing address for each Settlement Class Member. The address
26 identified by the Settlement Administrator as the current mailing address shall be presumed to be
27 the best mailing address for each Settlement Class Member.

28 //

1 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
2 Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the
3 forwarding address affixed thereto. If no forwarding address is provided, the Settlement
4 Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing,
5 or other search using the name, address and/or Social Security number of the Settlement Class
6 Member involved, and shall then perform a re-mailing, if another mailing address is identified by
7 the Settlement Administrator. In addition, if any Notice Packets which are addressed to
8 Settlement Class Members who are currently employed by Defendant, are returned to the
9 Settlement Administrator as non-delivered and no forwarding address is provided, the Settlement
10 Administrator shall notify Defendant through Defense Counsel. Defendant will request that the
11 currently employed Class Member provide a corrected address, and transmit to the Administrator
12 any corrected address provided by the Class Member. Class Members who received a re-mailed
13 Notice Packet shall have their Response Deadline extended fifteen calendar (15) days from the
14 original Response Deadline.

15 5. Disputes Regarding Individual Settlement Payments and Individual PAGA
16 Payments. Settlement Class Members will have the opportunity, should they disagree with the
17 estimated number of Qualified Workweeks and/or Qualified PAGA Pay Periods stated on their
18 Notice Packets, to provide documentation and/or an explanation to show contrary figures. If there
19 is a dispute, the Settlement Administrator will consult with the Parties to determine whether an
20 adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the
21 amounts of, any Individual Settlement Payments and Individual PAGA Payments under the terms
22 of this Agreement. The Settlement Administrator's determination of the eligibility for and
23 amount of any Individual Settlement Payment and Individual PAGA Payment shall be binding
24 upon the Settlement Class Member and the Parties.

25 6. Disputes Regarding Administration of Settlement. Any disputes not
26 resolved by the Settlement Administrator concerning the administration of the Settlement will be
27 resolved by the Court under the laws of the State of California. Prior to any such involvement of
28 the Court, counsel for the Parties will confer in good faith to resolve the disputes without the

necessity of involving the Court.

7. Requests for Exclusion.

a) The Notice of Class Action and PAGA Settlement contained in the Notice Packet shall state that Settlement Class Members who wish to exclude themselves from the Settlement must submit a written Request for Exclusion by the Response Deadline. The Notice of Class Action and PAGA Settlement shall contain an explanation that by submitting a Request for Exclusion, the Settlement Class Member cannot be excluded from receipt of the Individual PAGA Payment and a release of all PAGA claims, if applicable. The written Request for Exclusion must state that, to the extent allowable, the Settlement Class Member wishes to exclude himself or herself from the Settlement and (1) must contain the name, address, and email address or telephone number; (2) must be signed by the Settlement Class Member; (3) must be postmarked by the Response Deadline and returned to the Settlement Administrator at the specified address; and (4) contain a typewritten or handwritten notice that reasonably communicates the Class Member's election to be excluded from the Settlement.

b) The Request for Exclusion will not be valid if it is not timely submitted, if it is not signed by the Settlement Class Member, or if it does not contain the name and address of the Settlement Class Member. The date of the postmark on the return mailing envelope for the Request for Exclusion shall be the exclusive means used to determine whether the Request for Exclusion was timely submitted. Settlement Class Members who fail to submit a valid and timely written Request for Exclusion on or before the Response Deadline shall be Settlement Class Members who are bound by all terms of the Settlement and any final judgment entered in this Action if the Settlement is approved by the Court.

c) Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under the Settlement except for the Individual PAGA Payment, if applicable, and will not be bound by the terms of the Settlement (except as to the Released Claims concerning PAGA) or have any right to object, appeal or comment thereon. Nothing in this Settlement or Settlement Agreement will constitute or be construed as a waiver of any defense that Defendant or the Released Parties have or could assert

1 against anyone who timely serves a Request for Exclusion.

2 d) No later than five (5) calendar days after the Response Deadline,
3 the Settlement Administrator shall provide counsel for the Parties with a final list of the Settlement
4 Class Members who have timely submitted written Requests for Exclusion.

5 e) At no time shall any of the Parties or their counsel seek to solicit or
6 otherwise encourage members of the Settlement Class to submit Requests for Exclusion from the
7 Settlement.

8 8. Objections.

9 a) The Notice of Class Action and PAGA Settlement contained in the
10 Notice Packet shall state that Settlement Class Members who wish to object to the Settlement may
11 mail to the Settlement Administrator a written statement of objection (“Notice of Objection”) by
12 the Response Deadline. This deadline is extended by fifteen (15) calendar days if the Notice
13 Packet is returned as undeliverable and skip trace procedures are performed as provided in
14 Paragraph III.K.4 above. The postmark date of mailing shall be deemed the exclusive means for
15 determining that a Notice of Objection was served timely.

16 b) Settlement Class Members, regardless of whether they submit a
17 timely Notice of Objection will have a right to appear at the Final Approval/Settlement Fairness
18 Hearing in order to have their objections heard by the Court.

19 c) At no time shall any of the Parties or their counsel seek to solicit or
20 otherwise encourage Settlement Class Members to object to the Settlement or appeal from the
21 Order and Final Judgment.

22 d) Settlement Class Members who submit a written Request for
23 Exclusion are not entitled to object to the Settlement.

24 e) The Settlement Administrator shall send all written objections to
25 Class Counsel and Defense Counsel. Class Counsel will be responsible for filing the Notices of
26 Objection with the Court in advance of the Final Approval Hearing. Plaintiffs and/or Defendant
27 may file oppositions to any properly submitted Notices of Objection no later than nine (9) court
28 days prior to the date of the Final Approval/Settlement Fairness Hearing.

f) Defendant shall not be responsible for the fees, costs, or expenses incurred by Plaintiffs, Class Counsel or Settlement Class Members arising from or related to any objection to the Settlement Agreement or related to any appeals thereof.

M. Funding and Allocation of the Total Settlement Amount. This is a non-reversionary settlement in which Defendant is required to pay the Total Settlement Amount. No amount of the Total Settlement Amount will revert to Defendant. Upon satisfaction of the preconditions described in this Settlement and pursuant to the timeline and instructions below, Defendant will deposit the Total Settlement Amount into a Qualified Settlement Fund (“QSF”) to be established by the Settlement Administrator. In no event shall Defendant be responsible for any payments in excess of the Total Settlement Amount except as agreed by the Parties concerning employer side payroll taxes.

1. Funding Schedule. No later than thirty (30) calendar days after the Effective Date, Defendant shall provide the first of six equal installment deposits of \$150,000 to the Settlement Administrator to fund the Settlement (“Deposit 1”). The Remaining payments shall be made as follows:

- a) Deposit 2: \$150,000 to be paid 6 months after Deposit 1;
- b) Deposit 3: \$150,000 to be paid 6 months after Deposit 2;
- c) Deposit 4: \$150,000 to be paid 6 months after Deposit 3;
- d) Deposit 5: \$150,000 to be paid 6 months after Deposit 4;
- e) Deposit 6: \$150,000 to be paid 6 months after Deposit 5 (Deposits 1-6 are collectively referred to herein as the “Installment Deposits”).

f) Defendant reserves the right to advance the Installment Deposits, in whole or in part, on a schedule quicker than stated above. The Settlement Administrator may, but is not required to, advance the funds to be paid out under this Agreement, but in any event must pay the Total Settlement Amount in the order and manner provided in Paragraph III.M.2 below.

2. Order of Payout. The Settlement Administrator shall distribute the Total Settlement Amount upon receipt of the Installation Payments in the following manner:

1 a) Payment 1. Payment 1 shall be distributed following the receipt of
2 Deposit 1 as stated above in Paragraph III.M.1 as follows:

3 (1) Attorneys' Fees. An amount representing 1/6 of the Class
4 Counsel Award approved by the Court.

5 (2) Litigation Costs. An amount representing 1/6 of the Class
6 Counsel Litigation Costs approved by the Court.

7 (3) Settlement Administration Costs. An amount representing
8 1/6 of the approved Settlement Administration Costs payable to the Settlement Administrator.

9 (4) Class Representative Service Awards. An amount
10 representing the entirety of the Class Representative Service Awards approved by the Court.

11 (5) LWDA PAGA Penalty Payment. An amount representing
12 1/6 of the LWDA PAGA Penalty Payment approved by the Court.

13 (6) Individual PAGA Payments. An amount representing 1/6 of
14 the Individual PAGA Penalty Payment approved by the Court.

15 (7) Individual Settlement Payments. The amount remaining
16 from the first deposit shall be distributed proportionately to Participating Class Members in line
17 with the formula as described in paragraph M.2.d. below, representing the remainder of Deposit
18 1 after the above expenses are deducted.

19 b) Payment 2. Payment 2 shall be distributed as follows following the
20 receipt of Deposit 3 as stated above in Paragraph III.M.1:

21 (1) Attorneys' Fees. An amount representing 1/3 of the Class
22 Counsel Award approved by the Court.

23 (2) Litigation Costs. An amount representing 1/3 of the Class
24 Counsel Litigation Costs approved by the Court.

25 (3) Settlement Administration Costs. An amount representing
26 1/3 of the approved Settlement Administration Costs payable to the Settlement Administrator.

27 (4) LWDA PAGA Penalty Payment. An amount representing
28 1/3 of the LWDA PAGA Penalty Payment approved by the Court.

(5) Individual PAGA Payments. An amount representing 1/3 of the Individual PAGA Penalty Payment approved by the Court.

(6) Individual Settlement Payments. The amounts remaining which have been deposited shall be distributed proportionately to Participating Class Members in line with the formula as described in paragraph M.2.d. below.

c) Payment 3. Payment 3 shall be distributed as follows following the receipt of Deposit 6 as stated above in Paragraph III.M.1:

(1) Attorneys' Fees. An amount representing 1/2 of the Class Counsel Award approved by the Court.

(2) Litigation Costs. An amount representing 1/2 of the Class Counsel Litigation Costs approved by the Court.

(3) Settlement Administration Costs. An amount representing 1/2 of the approved Settlement Administration Costs payable to the Settlement Administrator.

(4) LWDA PAGA Penalty Payment. An amount representing 1/2 of the LWDA PAGA Penalty Payment approved by the Court.

(5) Individual PAGA Payments. An amount representing 1/2 of the Individual PAGA Penalty Payment approved by the Court.

(6) Individual Settlement Payments. The amounts remaining which have been deposited shall be distributed proportionately to Participating Class Members in line with the formula as described in paragraph M.2.d. below.

d) Calculation of Individual Settlement Payments. Using the Class Data, the Settlement Administrator will calculate the total Qualified Workweeks for all Settlement Class Members. The Qualified Workweeks for each Settlement Class Member will be divided by the total Qualified Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated Individual Settlement Payments. Individual Settlement Payments will be provided only to those individuals who satisfy the definition of Settlement Class Members (*i.e.*, all Settlement Class

Members do not submit a Request for Exclusion). Each Individual Settlement Payment will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.). The settlement checks will include an endorsement confirming that by cashing the check, the Settlement Class Members are releasing state and federal claims covered by the Released Claims.

3. Individual PAGA Payments. Individual PAGA Payments shall be paid from the 25% of the PAGA Penalty Amount to be distributed to Relevant PAGA Employees and shall be paid pursuant to the formula set forth herein.

a) Calculation of Individual PAGA Payments. Using the Class Data, the Settlement Administrator will calculate the total Qualified PAGA Pay Periods for all Relevant PAGA Employees. The Qualified PAGA Pay Periods for each Relevant PAGA Employee will be divided by the total Qualified PAGA Pay Periods for all Relevant PAGA Employees, resulting in the Payment Ratio for each Settlement Class Member. Each Settlement Class Member's Payment Ratio will then be multiplied by the 25% (\$33,750) of the PAGA Penalty Amount to calculate each Settlement Class Member's estimated Individual PAGA Payments. Individual PAGA Payments will be provided only to those individuals who satisfy the definition of Relevant PAGA Employees. Individual PAGA Payments are not subject to employee tax withholdings. The settlement checks will include an endorsement confirming that by cashing the check, the Settlement Class Members are releasing state and federal claims covered by the Released Claims.

(1) One Check for Settlement Class Members. At its election, the Settlement Administrator may issue one single check for payment to Settlement Class Members for each distribution, that constitutes payment of the Individual Settlement Payment and Individual PAGA Payment, subject to employee tax withholdings.

b) Tax Allocation. For tax purposes, Individual Settlement Payments shall be allocated and treated as follows: 40% as wages subject to IRS Form W-2 reporting and applicable taxes/withholdings, and 60% as penalties and interest for which an IRS Form 1099 will be issued. Individual PAGA Payments shall be allocated and treated 100% as penalties and interest for which an IRS Form 1099 will be issued.

c) Mailing. Individual Settlement Payments and Individual PAGA

Payments shall be mailed by regular First Class U.S. Mail to Settlement Class Members' last known mailing address no later than fifteen (15) calendar days after the Settlement Administrator's receipt of the applicable Installation Payment.

d) Uncashed Checks. Any checks issued to Settlement Class Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. In the event an Individual Settlement Payment or Individual PAGA Payment check has not been cashed within one hundred and eighty (180) days, pursuant to California Code of Civil Procedure section 384, the unpaid residue shall be tendered to the California Department of Industrial Relations Unpaid Wages Fund. The Settlement Administrator shall prepare a report regarding the distribution plan pursuant to California Code Civil Procedure Section 384, including and not limited to the unused funds as set forth in this Paragraph, and the report shall be presented to the Court by Class Counsel.

4. Class Representative Service Awards.

a) Defendant agrees not to oppose or object to any application or motion by Plaintiffs for Class Representative Service Awards of up to twelve thousand five hundred dollars (\$12,500) to each Plaintiff in exchange for the Released Claims and a General Release and for their time, effort and risk in bringing and prosecuting this matter. The Class Representative Service Awards shall be in addition to the Plaintiffs' Individual Settlement Payments and Individual PAGA Payments as Settlement Class Members.

b) The Settlement Administrator shall pay the Class Representative Service Awards to Plaintiffs from the Total Settlement Amount no later than fifteen (15) calendar days after the Settlement Administrator's Receipt of Installation Deposit 1. Any portion of the requested Class Representative Service Award that is not awarded to the Class Representatives shall become part of the Net Settlement Amount to be distributed as Individual Settlement Payments as provided in this Agreement.

c) The Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiffs for their Class Representative Service Awards. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their Class Representative Service

Awards and shall hold harmless Defendant and the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Service Awards.

d) In the event that the Court reduces or does not approve the requested Class Representative Service Awards, Plaintiffs shall not have the right to revoke the Settlement, and it will remain binding, nor will Plaintiffs seek, request, or demand an increase in the Total Settlement Amount.

5. Class Counsel Award.

a) In consideration for settling the Action and in exchange for the release of the Released Parties for all Released Claims and the General Release by Plaintiff, Class Counsel intends to apply for an award of attorneys' fees ("Attorney's Fees") not to exceed thirty-five percent (35%) of the Total Settlement Amount (\$315,000.00 of \$900,000.00), plus costs and expenses supported by declaration not to exceed Thirty-Two Thousand dollars (\$32,000.00), from the Total Settlement Amount ("Litigation Costs").

b) Class Counsel, Plaintiffs and the Settlement Class Members will not apply to the Court for any payment of attorneys' fees and costs that are in addition to the foregoing or that exceed the Total Settlement Amount. The Parties agree that, over and above the Court-approved Class Counsel Award, each of the Parties, including all Settlement Class Members, shall bear their own fees and costs, including, but not limited to, those related to the investigation, filing, prosecution, or settlement of the Action; the negotiation, execution, or implementation of this Agreement; and/or the process of obtaining, administering, or challenging an Order Granting Preliminary Approval and/or Final Approval.

c) Any portion of the requested Class Counsel Award that is not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement.

d) The Settlement Administrator shall pay the Class Counsel Award to Class Counsel from the Total Settlement Amount and shall be distributed to Class Counsel as provided in this Agreement.

e) Class Counsel shall be solely and legally responsible to pay all

1 applicable taxes on the payment made pursuant to this Paragraph. The Settlement Administrator
2 shall issue an IRS Form 1099 — MISC to Class Counsel for the payments made pursuant to this
3 Paragraph.

4 f) In the event that the Court reduces or does not approve the
5 requested Class Counsel Award, Plaintiffs and Class Counsel shall not have the right to modify
6 or revoke the Settlement, or to appeal such order, and the Settlement will remain binding, nor will
7 Plaintiffs or Class Counsel seek, request, or demand an increase in the Total Settlement Amount.

8 6. PAGA Penalty Payment. \$135,000 shall be allocated from the Total
9 Settlement Amount for the settlement and release of claims for civil penalties under the Private
10 Attorneys' General Act of 2004. The Settlement Administrator shall pay seventy-five percent
11 (75%) of the \$135,000 PAGA Penalty Amount, or \$101,250, to the California Labor and
12 Workforce Development Agency, and twenty five percent (25%) of the \$135,000 PAGA Penalty
13 Amount, or \$33,750 to the PAGA Employees.

14 a) Class Counsel will take all action required by California Labor
15 Code section 2699(l).

16 7. Settlement Administration Costs. The Settlement Administrator shall be
17 paid for the costs of administration of the Settlement from the Total Settlement Amount. The
18 estimate of the Settlement Administration Costs is Thirty-Two Thousand Five-Hundred dollars
19 (\$32,500). The Settlement Administrator shall be paid the Settlement Administration Costs as
20 provided in this Agreement.

21 N. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
22 accomplish the terms of this Settlement Agreement, including but not limited to, execution of
23 necessary documents and to take such other action as may reasonably be necessary to implement
24 the terms of this Settlement Agreement. As soon as practicable after execution of this Settlement
25 Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and Defense
26 Counsel, take all necessary steps to secure the Court's Preliminary and Final Approval of this
27 Settlement Agreement. The Parties also agree to cooperate in the Settlement administration
28 process. The Parties each represent they do not have any financial interest in the Settlement

1 Administrator or otherwise have a relationship with the Settlement Administrator that could create
2 a conflict of interest. Class Counsel will also notify Defense Counsel if subpoenaed or upon
3 receipt of any other request for documents or information regarding any other action filed or
4 potential action against the Released Parties that covers or includes any Settlement Class
5 Members and the Released Claims.

6 O. Preliminary Approval Hearing. Plaintiff shall obtain a hearing before the Court to
7 request the preliminary approval of the Settlement, and the entry of a Preliminary Approval Order
8 for: (i) conditional certification of the Class under California Code of Civil Procedure Section
9 382 for settlement purposes only, (ii) preliminary approval of the proposed Agreement, and (iii)
10 setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order
11 shall provide for the Notice Packet to be sent to all Class Members as specified herein. In
12 conjunction with the Preliminary Approval Hearing, Plaintiff shall submit this Agreement, which
13 sets forth the terms of this settlement, and will include the proposed Notice Packet, which shall
14 include the proposed Notice of Class Action Settlement. Plaintiff shall provide a courtesy draft
15 of all papers filed in support of preliminary approval to Defense Counsel at least seven (7)
16 calendar days before filing the documents.

17 P. Final Approval Motion. At the earliest practicable time following the expiration of
18 the Response Deadline, Plaintiffs shall file with the Court a Motion for Order Granting Final
19 Approval and Entering Judgment, which motion shall request final approval of the Settlement and
20 a determination of the amounts payable for the Class Representative Service Awards, the Class
21 Counsel Award, the PAGA Penalty Amount, and the Settlement Administration Costs. Plaintiffs
22 shall provide a courtesy draft of these papers to Defense Counsel at least seven (7) calendar days
23 before filing the documents.

24 1. Declaration by Settlement Administrator. The Settlement Administrator
25 shall submit a declaration in support of Plaintiffs' motion for final approval of this Settlement
26 detailing the number of Notice Packets mailed and re-mailed to Class Members, the number of
27 undeliverable Notice Packets, the number of timely requests for exclusion, the number of Notices
28 of Objections received, the amount of the average Individual Settlement Payment, the Settlement

Administration Costs, and any other information as the Parties mutually agree or the Court orders the Settlement Administrator to provide.

2. Final Approval Order and Judgment. The Parties shall present an Order Granting Final Approval of Class Action and PAGA Settlement to the Court for its approval, and Judgment thereon consistent with the terms and conditions of this Agreement.

Q. Option to Revoke Settlement. Defendants have the unilateral right to revoke the Settlement as follows:

1. If, after the Response Deadline, the number of Class Members who submitted timely and valid written requests for exclusion from the Settlement equals at least 5% of all Settlement Class Members, Defendants shall have, in their sole discretion, the option to terminate this Settlement. If Defendants exercise the option to terminate this Settlement, Defendant shall: (a) provide written notice to Class Counsel within seven (7) calendar days after (i) notice by the Settlement Administrator that at least 5% of all Settlement Class Members have submitted timely and valid written requests for exclusion of the Settlement or (ii) the Response Deadline, whichever is later; and (b) pay all Settlement Administration Costs incurred up to the date or as a result of the termination; and the Parties shall proceed in all respects as if this Agreement had not been executed.

2. In the event that Plaintiff Carter invokes her right to revoke a waiver of claims under the ADEA, Defendant shall have, in its sole discretion, the option to terminate this Settlement. If Defendant exercises its option to terminate this Settlement, Defendant shall: (a) provide written notice to Class Counsel within seven (7) calendar days after receipt of Plaintiff Carter's revocation of the waiver of claims under the ADEA and (b) pay all Settlement Administration Costs incurred up to the date or as a result of the termination; and the Parties shall proceed in all respects as if this Agreement had not been executed.

R. Review of Motions for Preliminary and Final Approval. Class Counsel will provide an opportunity for Counsel for Defendant to review the Motions for Preliminary and Final Approval prior to filing with the Court. The Parties and their counsel will cooperate with each other and use their best efforts to effect the Court's approval of the Motions for Preliminary and

1 Final Approval of the Settlement, and entry of Judgment.

2 S. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the
3 Action, except such proceedings necessary to implement and complete the Settlement, pending
4 the Final Approval/Settlement Fairness Hearing to be conducted by the Court. The Parties agree
5 that this stay shall toll the deadline for bringing this action to trial under California Code of Civil
6 Procedure section 583.310.

7 T. Nullification of Settlement Agreement. In the event: (i) the Court does not grant
8 preliminary approval and indicates that it will not approve the material terms of the Settlement;
9 (ii) the Court does not grant final approval and indicates that it will not approve the material terms
10 of the Settlement; (iii) the Court indicates that it will not enter a final judgment as provided herein
11 based on a rejection of the material terms of the Settlement; or (iv) the Settlement does not become
12 final for any reason identified in this Settlement Agreement, this Agreement shall be null and void
13 and any order or judgment entered by the Court in furtherance of this Settlement shall be treated
14 as void from the beginning. In such a case, the Parties and any funds to be awarded under this
15 Settlement shall be returned to their respective statuses as of the date and time immediately prior
16 to the execution of this Agreement, and the Parties shall proceed in all respects as if this
17 Agreement had not been executed, except that any costs already incurred by the Settlement
18 Administrator shall be paid by equal apportionment among the Parties. In the event an appeal is
19 filed from the Court's final judgment, or any other appellate review is sought, administration of
20 the Settlement shall be stayed pending final resolution of the appeal or other appellate review, but
21 any fees incurred by the Settlement Administrator prior to it being notified of the filing of an
22 appeal from the Court's Final Judgment, or any other appellate review, shall be paid to the
23 Settlement Administrator within thirty (30) days of said notification.

24 U. No Effect on Employee Benefits. Amounts paid to Plaintiff or other Settlement
25 Class Members pursuant to this Agreement shall be deemed not to be pensionable earnings and
26 shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g.,
27 vacations, holiday pay, retirement plans, etc.) of the Plaintiffs or Settlement Class Members.

28 V. Exhibits and Headings. The terms of this Agreement include the terms set forth in

the attached Exhibit 1, which is incorporated by this reference as though fully set forth herein. The exhibit to this Agreement is an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

W. Amendment or Modification. This Agreement may be amended or modified only by a written instrument: (1) signed by counsel for all Parties or their successors-in-interest; (2) signed by the Parties or their successors-in-interest; and (3) as may be approved by the Court.

X. Entire Agreement. This Agreement and any attached Exhibits constitute the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties and covenants contained and memorialized in the Agreement and its Exhibits.

Y. 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 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The person signing this Agreement on behalf of Defendant represents and warrants that they are authorized to sign this Agreement on behalf of Defendant. Plaintiffs represent that they are authorized to sign this Agreement and that they have not assigned, transferred, or encumbered any claim, or part of a claim, demand, cause of action or any rights herein released and discharged or covered by this Settlement to any third-party.

Z. Binding on Successors and Assigns. The provisions of this Settlement Agreement shall run in perpetuity. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, including the Released Parties, as previously defined.

AA. California Law Governs. All terms of this Agreement and the Exhibits hereto and any disputes arising hereunder shall be governed by and interpreted according to the laws of the State of California.

BB. Counterparts. This Agreement may be executed in one or more counterparts. All

1 executed counterparts and each of them shall be deemed to be one and the same instrument
2 provided that counsel for the Parties to this Agreement shall exchange among themselves copies
3 or originals of the signed counterparts.

4 CC. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this
5 Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this
6 Settlement after extensive arm's-length negotiations, taking into account all relevant factors,
7 present and potential. The Parties further agree that this Settlement Agreement shall not be
8 construed in favor of or against any party by reason of the extent to which any party or his or her
9 or its counsel participated in the drafting of this Settlement Agreement.

10 DD. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction
11 with respect to the interpretation, implementation and enforcement of the terms of this Agreement
12 and all orders and judgments entered in connection therewith, and the Parties and their counsel
13 hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing and
14 enforcing the settlement embodied in this Agreement and all orders and judgments entered in
15 connection therewith.

16 EE. Invalidity of Any Provision. Before declaring any provision of this Agreement
17 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
18 consistent with applicable precedents so as to define all provisions of this Agreement valid and
19 enforceable.

20 FF. Publicity. Plaintiffs and Class Counsel agree not to disclose or publicize the
21 Settlement, including the fact of the Settlement, its terms or contents, and the negotiations
22 underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity,
23 except potential class members and as shall be contractually required to effectuate the terms of
24 the Settlement as set forth herein. For the avoidance of doubt, this section means Plaintiffs and
25 Class Counsel agree not to issue press releases, communicate with or respond to any media or
26 publication entities, publish information in manner or form, whether printed or electronic, on any
27 medium, or otherwise communicate, whether by print, video, website, recording or any other
28 medium, with any person or entity concerning the Settlement, including the fact of the Settlement,

its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the Parties in this action, the venue/case number of this action, and the fact this action settled on a class-wide basis (but not any other settlement details) for such purposes.

GG. No Unalleged Claims. Plaintiffs and Class Counsel represent that they, as of the date of execution of this Settlement, have no current intention of pursuing any claims against Defendant in any judicial, administrative, or arbitral forum, including, but not limited to, any and all claims relating to or arising from Plaintiffs' employment with Defendant, and that Plaintiffs' Counsel is not currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Defendants, excepting those facts or legal theories alleged in the operative complaint in this Action. Plaintiffs and Plaintiffs' Counsel further represent and agree that they do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendant. The Parties further acknowledge, understand and agree that this representation is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation. Nothing in this Paragraph will be construed as a restraint on the right of any counsel to practice.

HH. Waiver of Certain Appeals. The Parties agree to stipulate to class certification for purposes of implementing this Settlement only and agree to waive all appeals from the Court's final approval of the Settlement, unless the Court modifies the Settlement.

II. No Admissions by the Parties. Plaintiffs have claimed and continue to claim that the Released Claims have merit and give rise to liability on the part of Defendants. Defendant claims that the Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to herein and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendant or Plaintiffs or Class Counsel as to the merits or lack thereof of the claims asserted.

JJ. Notice of Settlement to LWDA. Plaintiffs will provide notice of this Agreement and proposed settlement to the Labor Workforce Development Agency ("LWDA") at the time the motion for preliminary approval of the settlement is filed, as required by Labor Code Section 2699(1)(2).

The Parties indicate by signing below their approval of the form of this Settlement Agreement (and exhibits thereto).

IN WITNESS WHEREOF, this Joint Stipulation of Class Action and PAGA Settlement is executed by the Parties as of the day and year herein set forth.

Ly Brothers Corporation D/B/A Sugar Bowl Bakery, Defendant

 07 / 28 / 2024
Lizette Ruelas, Plaintiff

 07 / 23 / 2024
Kenyatta Carter, Plaintiff

APPROVED AS TO FORM:

July 29, 2024

LAWYERS for JUSTICE, PC


By: Elizabeth Parker-Fawley, Esq.
Joanna Ghosh, Esq.
Vartan Madoyan, Esq.
Attorneys for Plaintiffs

July 29, 2024

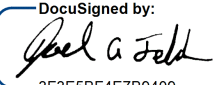
DOMB & RAUCHWERGER LLP


By: Zack I. Domb, Esq.
Devin E. Rauchwerger, Esq.
Jeffrey P. Jackson, Esq.
Attorneys for Plaintiffs

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DocuSigned by:

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7/25/2024

Ly Brothers Corporation D/B/A Sugar Bowl Bakery, Defendant

Lizette Ruelas, Plaintiff

Kenyatta Carter, Plaintiff

APPROVED AS TO FORM:

July ____, 2024

LAWYERS for JUSTICE, PC

By: _____
 Joanna Ghosh, Esq.
 Vartan Madoyan, Esq.
 Attorneys for Plaintiffs

July ____, 2024

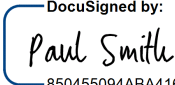
DOMB & RAUCHWERGER LLP

By: _____
 Zack I. Domb, Esq.
 Devin E. Rauchwerger, Esq.
 Jeffrey P. Jackson, Esq.
 Attorneys for Plaintiffs

25.00
 Dated: July ____, 2024

OGLETREE, DEAKINS, NASH, SMOAK &

STEWART, P.C.

By:  850455094ABA416
Evan R. Moses, Esq.
Michael J. Nader, Esq.
Paul M. Smith, Esq.
Attorneys for Defendants