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Attorneys for Plaintiffs and the Class

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

CHARLES HARRIS and YASEEN
ABDULRAHMAAN, on behalf of themselves
and all others similarly situated,

Plaintiffs,

vs.

AMERICAN FREIGHT MANAGEMENT
COMPANY LLC, a Corporation,
AMERICAN FREIGHT MANAGEMENT
CO., a Corporation, and DOES 1 through 100,
inclusive,

Defendants.

Case No. 34-2022-00329805

[Assigned for All Purposes to Honorable Lauri
Damrell in Department 28]

**DECLARATION OF EDWARD W. CHOI
IN SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: January 19, 2024
Time: 9:00 a.m.
Dept.: 28

1 I, Edward W. Choi, declare as follows:

2 1. I am an individual over the age of 18. I am one of the attorneys of record for
3 Plaintiffs CHARLES HARRIS and YASEEN ABDULRAHMAAN (hereinafter referred to as
4 “Plaintiffs”). I have personal knowledge of the facts set forth below and if called to testify I
5 could and would do so competently.

6 2. On October 28, 2022, Plaintiffs CHARLES HARRIS and YASEEN
7 ABDULRAHMAAN (collectively “Plaintiffs”) mailed a notice pursuant to the Private
8 Attorneys General Act (the “PAGA”), to the Labor Workplace Development Agency
9 (“LWDA”) alleging that Defendants AMERICAN FREIGHT MANAGEMENT COMPANY
10 LLC, a Corporation, and AMERICAN FREIGHT MANAGEMENT CO., a Corporation
11 (collectively “Defendants”) violated Labor Code §§ 201-203, 226, 226.7, 510, 512, 558, 1194.
12 (Attached hereto as Exhibit A is a true and correct copy of the notice).

13 3. On November 10, 2022, Plaintiffs filed their Complaint as a class action against
14 Defendants alleging: (1) violation of Labor Code §§ 510, 558 & 1194; (2) violation of Labor
15 Code §§ 226.7 and 512; (3) violation of Labor Code § 226; and (4) violation of Cal. Bus. Prof.
16 Code § 17200, *et seq.*

17 4. On January 11, 2023, Plaintiffs filed a First Amended Class Action Complaint
18 adding a fifth cause of action for violation of Labor Code § 2698, *et seq.* Private Attorneys
19 General Act (the “PAGA”). On October 4, 2023, the Parties filed a Stipulation for Leave to File
20 a Second Amended Complaint which was granted on October 10, 2023. On October 12, 2023,
21 Plaintiff filed the Second Amended Complaint (“Operative Complaint”), which by operation of
22 law, dismissed Defendant AMERICAN FREIGHT MANAGEMENT CO, without prejudice
23 and added factual allegations that Defendant failed to provide rest breaks and/or pay rest break
24 premiums at the regular rate of pay.

25 5. Since the filing of the case, the Parties engaged in informal discovery, including
26 the production of data necessary for Plaintiffs to calculate the potential exposure for this matter
27 and production of Defendant’s policies. The discovery was directed to Defendant regarding
28 Plaintiffs, the Class, and towards Class issues. I engaged in numerous meet and confer emails

1 and telephone calls with Defendant's counsel to obtain the necessary discovery to conduct a
2 meaningful mediation.

3 6. The parties engaged in mediation with well-respected mediator, Todd A. Smith,
4 Esq., on July 26, 2023, which ultimately led to this settlement. A true and correct copy of the
5 Settlement Agreement is attached hereto as Exhibit B.

6 7. Prior to mediation, Defendant provided payroll data for approximately 90 class
7 members which is approximately a 10% sampling for the entire putative class of approximately
8 900 class members. The payroll data was produced in Excel format which was analyzed by
9 Plaintiffs' expert witness to perform an exposure analysis. Based on the data provided,
10 Plaintiffs estimated that the maximum Labor Code §§510, 558 and 1194 damages could amount
11 to \$80,003.08. Plaintiffs estimated that the maximum meal and rest break penalties could
12 amount to approximately \$10,462.50. Further, the maximum Labor Code §226 penalties for
13 failure to provide accurate wage statements could amount to \$149,470.96. Finally, Plaintiffs
14 estimate that the maximum waiting time penalties amount could amount to \$112,731.84. Based
15 on the foregoing, the total amount of penalties for the class could amount to \$352,668.38.

16 8. Further, Plaintiffs estimated the total potential PAGA penalties for unpaid
17 overtime wages could amount to approximately \$23,600.00. The total potential PAGA
18 penalties meal and rest break violations to amount to \$19,200.00. Finally, the total potential
19 PAGA penalties for violation of Labor Code §226 amounted to \$438,300.00. The total PAGA
20 penalties, if stacked, amounted to \$481,100.00. Thus, the current settlement is 41% of the total
21 maximum exposure (\$370,000 divided by \$906,469.96). Based on the Net Settlement Amount,
22 on a pure raw average, each class member will receive approximately \$174.07.

23 9. Although Plaintiffs and their counsel are confident that litigation of the claims
24 would result in a representative judgment against Defendants, they recognize the inherent risks
25 in litigation, including the specific risks that class certification could be denied, liability could
26 not be established at trial, or the applicable law could change.

27 10. After taking into account sharply disputed factual and legal issues involved in
28 this litigation, the risks attending further prosecution, and the substantial benefits to be received

pursuant to the compromise and settlement of the litigation, Plaintiffs and their counsel have concluded that settlement on the terms hereinafter set forth is appropriate and in the best interests of the Parties and that this settlement is fair and reasonable.

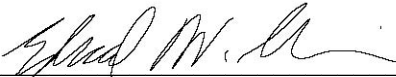
ATTORNEY EXPERIENCE

11. I am one of the primary attorneys on this matter. My qualifications are as follows: I received my *Juris Doctorate* degree from UCLA Law School in 2000. Upon graduation, I joined the law firm of Lee & Associates in Los Angeles, California as an associate. I started my own practice in October 2004.

12. During the course of my practice, I have primarily represented consumers and obtained millions of dollars in recovery for my clients. I have handled numerous wage and hour cases during my career. Since 2009, I have been certified as class counsel and granted final approval in *Choi, et al. v. Midway International Inc., et al.* LASC Case No. BC394495; *Lee v. The Men's Wearhouse, Inc., et al.* Alameda Superior Court Case No. RG09461973; *Garcia, et al. v. RGIS, LLC, et al.* LASC Case No. BC 425624; *Choi v. Mazda, et al.* LASC Case No. BC 391638; *Cabrera v. Frazee, et al.* LASC Case No. BC 440309; *Vo, et al. v. The Party Staff, et al.* OCSC Case No. 30-2011-00444836-CU-OE-CXC; *Oh, et al. v. Best Coach Technologies, Inc., et al.* LASC Case No. BC 462848; *Rawley v. Freedom Mortgage, Inc.* Orange County Superior Court Case No. 30-2014-00724164-CU-OE-CXC; *Mendez v. Stevenson Restaurant, Inc.* LASC Case No. BC536766; *Castro v. Continental Airlines*, USDC Central District Case No. 2:14-CV-00169-SVW-AGR; *Barreras v. Michaels Stores, Inc.* USDC – Northern District Case No. C12-04474 PJH, *Dynabursky v. AlliedBarton Security Services, LP, et al.*, SACV 12-02210 JST (RNBx), *Brown v. CVS Caremark, et al.* United States District Court, Central District, Case No.: 2:15-cv-07631-JFW-PJW; *Castillo v. Sheraton Operating Corporation*, United States District Court, Central District of California Case No. 2:17-cv-07091-FMO-AS and *Zepeda v. Ulta Salon, Cosmetics & Fragrance, Inc.* United States District Court, Eastern District of CA, Case No. 1:18-cv-00750-DAD.

1 13. On December 22, 2023, my office uploaded a copy of this Motion, Settlement
2 Agreement and Proposed Order to the LWDA. Attached hereto as Exhibit C is a true and
3 correct copy of the confirmation email.
4

5 I declare under penalty of perjury that the foregoing is true and correct. Executed on
6 December 22, 2023, at Los Angeles, California.

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8  _____

9 Edward W. Choi
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EXHIBIT A

CHARLES HARRIS

c/o LAW OFFICES OF CHOI & ASSOCIATES, APLC
515. S. FIGUEROA ST., SUITE 1250
LOS ANGELES, CALIFORNIA 90071
TELEPHONE (213) 381-1515
FACSIMILE (213) 465-4885

October 26, 2022

**VIA ONLINE FILING WITH LWDA AND CERTIFIED MAIL, RETURN RECEIPT
REQUESTED TO EMPLOYER**

California Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
PAGA@dir.ca.gov

Re: Harris, Charles v. American Freight Management Company, LLC

To Whom It May Concern:

This correspondence shall constitute written notice under Labor Code § 2699.3 of my claims, individually and on behalf of all aggrieved employees, against my employer American Freight Management Company, LLC (the “Company”). I allege that:

1. The Company violated Labor Code §§ 510, 558, and 1194 by failing to correctly calculate the regular rate of pay by not including all non-discretionary remuneration in the regular rate of pay, including without limitation, “Sales Bonus”. Specifically, whenever non-discretionary “Sales Bonus” were paid to the employees, such amounts were not included/factored into the regular rate of pay for purposes of overtime wages. As such, the overtime wage rates should have been paid at a higher rate than 1.5 times the base rate of pay. In addition, the Company also violated Labor Code §§ 201-203 by failing to pay other aggrieved employees all of the overtime wages owed upon separation of employment due to the unpaid overtime wages, and Labor Code § 226 by failing to accurately identifying the accurate rate of pay, and gross and net wages earned.

2. Violated Labor Code §§226.7 and 512 by failing to pay meal break premium wages at the regular rate of pay. Labor Code § 226.7(c) states that “the employer shall pay the employee one additional hour of pay at the employee’s **regular rate** of compensation for each workday that the meal or rest or recovery period is not provided.” Specifically, whenever meal break premium wages were paid to me and aggrieved employees, the meal break premium wages were paid at my base hourly rate of pay, which did not include the non-discretionary incentive wages that I received during the same pay period. Thus, my and aggrieved employee’s meal break premium wages were not paid at the regular rate of pay. In addition, the Company also violated Labor Code §§ 201-203 by failing to pay other aggrieved employees all of the wages owed upon separation of employment due to the unpaid missed meal period premiums, and

Labor Code § 226 by failing to accurately identifying the accurate rate of pay, and gross and net wages earned.

3. As a further and separate violation, the Company violated Labor Code §226 by failing to provide accurate itemized wage statements whenever overtime wages were paid. Whenever overtime wages were paid, the wage statements issued to the employees did not identify the overtime rate as 1.5 times the regular rate of pay. Rather, the overtime rates appeared as the base hourly rate of pay and/or one-half of the hourly rate of pay. In addition, the Company failed to list the accurate total hours worked for wage statements furnished to me and/or other similarly aggrieved non-exempt employees whenever overtime wages were paid. In particular, when the hours shown on the wage statements are added up, they do not appear to add up to the actual total hours worked. Therefore, the Company violated Labor Code § 226 as to me and all other similarly aggrieved employees.

4. The Company violated Labor Code §§ 201-203 by failing to pay all wages earned at termination. As a result of the above-referenced allegations, I and the aggrieved employees, should have been paid all of our meal break premium wages and overtime wages at termination.

The address for the Company is:

American Freight Management Company LLC
680 Sunbury Rd.
Delaware, OH 43015

American Freight Management Co
109 Innovation Court Suite J
Delaware, OH 43105

Please contact my attorney, Edward Choi, at the address/telephone number listed above if you have any questions regarding this matter.

Sincerely,



Charles Harris

Cc: American Freight Management Company, LLC (via certified mail)
American Freight Management Co (via certified mail)

YASEEN ABDULRAHMAAN
c/o LAW OFFICES OF CHOI & ASSOCIATES, APLC
515. S. FIGUEROA ST., SUITE 1250
LOS ANGELES, CALIFORNIA 90071
TELEPHONE (213) 381-1515
FACSIMILE (213) 465-4885

October 27, 2022

**VIA ONLINE FILING WITH LWDA AND CERTIFIED MAIL, RETURN RECEIPT
REQUESTED TO EMPLOYER**

California Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
PAGA@dir.ca.gov

Re: Abdulahmaany, Yaseen v. American Freight Management Company, LLC

To Whom It May Concern:

This correspondence shall constitute written notice under Labor Code § 2699.3 of my claims, individually and on behalf of all aggrieved employees, against my employer American Freight Management Company, LLC (the “Company”). I allege that:

1. The Company violated Labor Code §§ 510, 558, and 1194 by failing to correctly calculate the regular rate of pay by not including all non-discretionary remuneration in the regular rate of pay, including without limitation, “Sales Bonus”. Specifically, whenever non-discretionary “Sales Bonus” were paid to the employees, such amounts were not included/factored into the regular rate of pay for purposes of overtime wages. As such, the overtime wage rates should have been paid at a higher rate than 1.5 times the base rate of pay. In addition, the Company also violated Labor Code §§ 201-203 by failing to pay other aggrieved employees all of the overtime wages owed upon separation of employment due to the unpaid overtime wages, and Labor Code § 226 by failing to accurately identifying the accurate rate of pay, and gross and net wages earned.

2. Violated Labor Code §§226.7 and 512 by failing to pay meal break premium wages at the regular rate of pay. Labor Code § 226.7(c) states that “the employer shall pay the employee one additional hour of pay at the employee’s **regular rate** of compensation for each workday that the meal or rest or recovery period is not provided.” Specifically, whenever meal break premium wages were paid to me and aggrieved employees, the meal break premium wages were paid at my base hourly rate of pay, which did not include the non-discretionary incentive wages that I received during the same pay period. Thus, my and aggrieved employee’s meal break premium wages were not paid at the regular rate of pay. In addition, the Company also

violated Labor Code §§ 201-203 by failing to pay other aggrieved employees all of the wages owed upon separation of employment due to the unpaid missed meal period premiums, and Labor Code § 226 by failing to accurately identifying the accurate rate of pay, and gross and net wages earned.

3. As a further and separate violation, the Company violated Labor Code §226 by failing to provide accurate itemized wage statements whenever overtime wages were paid. Whenever overtime wages were paid, the wage statements issued to the employees did not identify the overtime rate as 1.5 times the regular rate of pay. Rather, the overtime rates appeared as the base hourly rate of pay and/or one-half of the hourly rate of pay. In addition, the Company failed to list the accurate total hours worked for wage statements furnished to me and/or other similarly aggrieved non-exempt employees whenever overtime wages were paid. In particular, when the hours shown on the wage statements are added up, they do not appear to add up to the actual total hours worked. Therefore, the Company violated Labor Code § 226 as to me and all other similarly aggrieved employees.

4. The Company violated Labor Code §§ 201-203 by failing to pay all wages earned at termination. As a result of the above-referenced allegations, I and the aggrieved employees, should have been paid all of our meal break premium wages and overtime wages at termination.

The address for the Company is:

American Freight Management Company LLC
680 Sunbury Rd.
Delaware, OH 43015

American Freight Management Co
109 Innovation Court Suite J
Delaware, OH 43105

Please contact my attorney, Edward Choi, at the address/telephone number listed above if you have any questions regarding this matter.

Sincerely,



Yaseen Abdulrahmaan

Cc: American Freight Management Company, LLC (via certified mail)
American Freight Management Co (via certified mail)

Choi & Associates

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY
<lwdadonotreply@dir.ca.gov>
Sent: Friday, October 28, 2022 10:49 AM
To: Choi & Associates
Subject: Thank you for submission of your PAGA Case.

10/28/2022

LWDA Case No. LWDA-CM-916471-22

Law Firm : Law Offices of Choi & Associates Plaintiff Name : Charles Harris and Yaseen Abdulrahmaan

Employer: American Freight Management Company LLC Filing Fee : \$75.00 IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT B

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698, *et seq.*) SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Charles Harris and Yaseen Abdulrahmaan (“Plaintiffs”) and defendant American Freight Management Company, LLC. (“AFM” or “Defendant”). The Agreement refers to Plaintiffs and AFM collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against AFM captioned Harris *et al.* v. American Freight Management Company, LLC. (case number 34-2022-00329805, pending in Superior Court of the State of California, County of Sacramento.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means a person employed by Defendant in California as a non-exempt employee during the PAGA Period.
- 1.5. “Class” means a person employed by Defendant in California as a non-exempt employee during the Class Period.
- 1.6. “Class Counsel” means Edward W. Choi of the Law Offices of Choi & Associates, P.C., David J. Lee of David Lee Law, P.C., and Brandon M. Banks of Brandon Banks Law, P.C.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in AFM’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Pay Periods and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from November 10, 2018 to July 26, 2023.
- 1.13. “Class Representative” means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as Class Representatives.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of Sacramento.
- 1.16. “AFM” means named Defendant American Freight Management Company.
- 1.17. “Defense Counsel” means Fisher & Phillips LLP.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means \$370,000.00 which is the total amount AFM agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross

Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, and the Administrator's Expenses.

- 1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Pay periods worked during the Class Period.
- 1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for AFM for at least one day during the PAGA Period.
- 1.31. "PAGA Period" means the period from September 6, 2021 to July 26, 2023.
- 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. "PAGA Notice" means Plaintiffs' October 26, 2022 letter to AFM and the LWDA, and the amended letter of the same date, providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$10,000.00) and the 75% to LWDA (\$30,000.00) in settlement of PAGA claims.

- 1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. "Plaintiffs" mean Charles Harris and Yaseen Abdulrahmaan, the named Plaintiffs in the Action.
- 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.
- 1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.
- 1.41. "Released Parties" means: AFM and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates, and AFM client companies.
- 1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. "Response Deadline" means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
- 1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. "Pay Period" means any week during which a Class Member worked for AFM for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On November 10, 2022, Plaintiffs commenced this Action by filing a complaint, filed their initial Complaint in the California Superior Court (Sacramento), on November 10, 2022 against American Freight Management Company, LLC and American Freight Management Co. Plaintiffs' Complaint brings four (4) causes of action for: 1) Violation of Labor Code §§ 510, 558, & 1194; 2) Violation of Labor Code §§ 226.7 & 512 for

Failure to Provide Meal Periods; 3) Violation of Labor Code § 226; and 4) Violation of Cal. Bus. & Prof. Code § 17200, et seq. Plaintiffs amended their complaint on or around January 10, 2023 to add a fifth cause of action under the Private Attorneys' General Act ("PAGA") for Violation of Labor Code § 2698. On October 12, 2023, Plaintiffs filed a Second Amended Complaint adding causes of action and allegations for failure to provide rest periods and pay premiums for deficient meal and rest periods. The Second Amended Complaint is the operative complaint in the Action (the "Operative Complaint.") AFM denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to AFM and the LWDA by sending the PAGA Notice.
- 2.3. On July 26, 2023, the Parties participated in an all-day mediation presided over by mediator Todd Smith, Esq., which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiffs obtained, through formal and informal discovery, documents, information, and demographic data, including a voluminous sample of time and payroll records for Class Members over the Class Period. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.5. The Court has not granted class certification, as Parties engaged in mediation prior to Plaintiffs filing a motion for class certification.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, AFM promises to pay \$370,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. AFM has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to AFM.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

- 3.2.1. To Plaintiffs: Class Representative Service Payment to the Class Representatives of not more than \$10,000.00 to each of the two Plaintiffs (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). AFM will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than thirty-three and 1/3 percent (33 1/3%) of the Gross Settlement Amount, which is currently estimated to be \$123,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$20,000.00. AFM will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds AFM harmless, and indemnifies AFM, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$13,750.00 except for a showing of good cause and as approved by the Court.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Pay Periods worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Pay Periods.
- 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of

each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$40,000.00 to be paid from the Gross Settlement Amount, with 75% (\$30,000.00) allocated to the LWDA PAGA Payment and 25% (\$10,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$10,000 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Pay Periods. Based on a review of its records to date, AFM estimates that class consists of approximately 24,601 pay periods. Should the number of pay periods increase by more than 10% this will increase the gross settlement proportionally for per each pay period over the 10% increase amount. For example if the number of pay periods increases 11% then the settlement amount will increase $[11-10] = 1\%$.

4.2. Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, AFM will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. AFM has a continuing duty to immediately notify

Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which AFM must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. AFM shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay AFM's share of payroll taxes by transmitting the funds to the Administrator no later than twenty-one (21) days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after AFM funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a

replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate AFM to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

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

5.1 **Plaintiffs' Release.** Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to his employment with AFM and his compensation while an employee of AFM, that occurred during the Class Period, including, but not limited to all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint, including, but not limited to, all claims relating to payment of minimum wages, overtime wages, wage statement and paystubs, penalties, waiting time penalties, unreimbursed business expenses, interest, and attorneys' fees; which include all claims arising under the Labor Code (including, but not limited to, §§200, 201, 201.3, 202, 203, 204, 204.1, 204.2, 205, 205.5, 210, 218, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 256, 500, 510, 511, 512, 516, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.2, 1197.5, 1198, 1199, 2698 *et seq.*, and 2699 *et seq.*) 2802; all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 (PAGA); California Business and Professions Code §§17200, *et seq.*; California Civil Code, to include §§3287; 12 CCR §11040; 8 CCR §11060; California Code of Civil Procedure §1021.5; California common law of contract; 29 CFR §778.223; 29 CFR §778.315; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. §§1001, *et seq.* (ERISA). Plaintiff's Released Claims also include all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation,

and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. §1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), and the California Fair Employment and Housing Act (FEHA); and the law of contract and tort. This release excludes the release of claims not permitted by law (“Plaintiff’s Release”). Plaintiff’s Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs’ Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs’ discovery of them.

5.1.1 Plaintiff’s Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs’ Release, Plaintiffs expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Release by Participating Class Members: Upon the Effective Date, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, based on the Class Period factual allegations in the Operative Complaint, including, any and all claims involving including meal and rest breaks; wages at the regular rate of pay, overtime and double time wages; wage statement violations; separation pay violations; unfair business practices; and applicable IWC Wage Order(s).

5.3 Release by all Participating and Non-Participating Class Members Who Are Aggrieved Employees: Upon the Effective Date, Plaintiff as an individual and on behalf of the LWDA and Aggrieved Employees, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the factual allegations in the Operative Complaint and the PAGA Notice, including, any claims involving meal and rest breaks; wages at the regular rate of pay, overtime and double time wages; wage statement violations; separation pay violations; unfair business practices; and PAGA.

6. **MOTION FOR PRELIMINARY APPROVAL**. The Plaintiffs agree to prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).

6.1 Plaintiff’s Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes

an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel, or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve, and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator.

- 6.2 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, and Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members’ written objections, Challenges to Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, AFM or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating and Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.
- 7.6 Challenges to Calculation of Pay Periods. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the pay periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's

determination of each Class Member's allocation of Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Email Address and Toll-Free Number. The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things,

tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Pay Periods received and/or resolved, checks mailed for Individual Class Payments and Individual PAGA Payments, and checks deposited or cashed ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

8. **FINAL REPORT BY SETTLEMENT ADMINISTRATOR.** Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. **AFM'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, AFM may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if AFM withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, AFM will remain responsible for paying all Settlement Administration Expenses incurred to that point. AFM must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the

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

- 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall

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

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

12. **ADDITIONAL PROVISIONS.**

- 12.1 **No Admission of Liability, Class Certification or Representative Manageability for Other Purposes.** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by AFM that any of the allegations in the Operative Complaint have merit or that AFM has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that AFM's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, AFM reserves the right to contest certification of any class for any reasons, and AFM reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest AFM's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.2 **Confidentiality Prior to Preliminary Approval.** Plaintiffs, Class Counsel, AFM and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (i) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (ii) counsel in a related matter; (iii) to the extent necessary to report income to appropriate taxing authorities; (iv) in response to a court order or subpoena; or (v) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs and Class Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's

ethical obligations owed to Class Members.

- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel, employees, and/or agents will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and AFM, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, AFM nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by AFM in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from AFM unless, prior to the Court's discharge of the Administrator's obligation, AFM makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.
- 12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Edward W. Choi, Esq. SBN 211334
LAW OFFICES OF CHOI & ASSOCIATES
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
Telephone: (213) 381-1515
Facsimile: (213) 465-4885
edward.choi@choiandassociates.com

David J. Lee, Esq., State Bar No. 296294
DAVID LEE LAW, APC
515 S. Flower Street, Suite 1900
Los Angeles, California 90071
T: (213) 236-3536
F: (866) 658-4722
david@davidjleelaw.com

Brandon M. Banks, SBN 314667
BRANDON BANKS LAW, APC
340 South Lemon Ave #1409
Walnut, California 91789
Phone: (415) 289-9494
Email: brandon@brandonbanksllaw.com

To AFM:

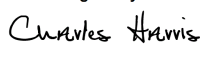
Boris Sorsher, Esq.
Fisher & Phillips LLP
2050 Main Street, Suite 1000
Irvine, CA 92614
Telephone: (949) 851-2424

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

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

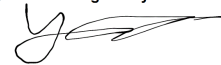
[SIGNATURES ON NEXT PAGE]

Dated: 10/17/2023

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Charles Harris, Plaintiff

Dated: 10/20/2023

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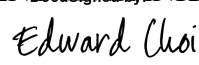
Plaintiff Yaseen Abdulrahmaan

Dated: October 17, 2023

Aaron Granger for Defendant American
Freight Management Company, LLC

Dated: October 17, 2023

LAW OFFICES OF CHOI & ASSOCIATES
DAVID LEE LAW, APC
BRANDON BANKS LAW, APC

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Edward W. Choi
David J. Lee
Brandon M. Banks
Attorneys for Plaintiffs Charles Harris and
Yaseen Abdulrahmaan

Dated: October 17, 2023

FISHER & PHILLIPS LLP

Boris Sorsher
Kristina Buan
Attorneys for AFM.

Dated: _____

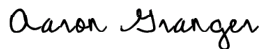
Charles Harris, Plaintiff

Dated: _____

Plaintiff Yaseen Abdulrahmaan

Dated: October 17, 2023

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Aaron Granger for Defendant American
Freight Management Company, LLC

Dated: October 17, 2023

LAW OFFICES OF CHOI & ASSOCIATES
DAVID LEE LAW, APC
BRANDON BANKS LAW, APC

Edward W. Choi
David J. Lee
Brandon M. Banks
Attorneys for Plaintiffs Charles Harris and
Yaseen Abdulrahmaan

Dated: October 17, 2023

FISHER & PHILLIPS LLP



Boris Sorsher
Kristina Buan
Attorneys for AFM.

EXHIBIT A

Harris, et al. v. v. American Freight Management Company, LLC
Sacramento Superior Court Case No. 34-2022-00329805
Notice of Class and PAGA Action Settlement

You are not being sued. This notice affects your rights. Please read it carefully
A California Court authorized this Notice. This is not a solicitation from a lawyer.

To: “Class Member” which means a person employed by Defendant in California as a non-exempt employee from November 10, 2018 to July 26, 2023 (the “Class Period”).

“Aggrieved Employees” means a person employed by Defendant in California as a non-exempt employee from September 6, 2021 to July 26, 2023 (“PAGA Period”). This definition is for settlement purposes only and is not an admission of any wrongdoing by Defendant.

You have received this Notice because Defendant’s records indicate that you are a Class Member and Aggrieved Employee and are entitled to a settlement payment.

YOUR ESTIMATED CLASS AND PAGA PAYMENTS
According to Defendant’s records, you worked a total of ____ Pay Periods during the Class Period and your estimated gross Individual Settlement is approximately \$____.
According to Defendant’s records, you worked a total of ____ Pay Periods during the PAGA Period your estimated Individual PAGA Payment \$____.
Based on the above, your total estimated gross payment from the Settlement is approximately \$____.

On _____, 2023, the Honorable Lauri A. Damrell of the Sacramento County Superior Court granted preliminary approval of this class action and PAGA settlement. **Unless you choose to opt out of the Class Settlement by following the procedures described below, you will be deemed a Participating Class Member. If the Court grants final approval of the settlement, Participating Class Members and all Aggrieved Employees will be mailed a check for their share of the Net Settlement Amount.** The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _____.m. on [INSERT DATE] in Department 28 of the Sacramento County Superior Court located at 720 9th Street, Sacramento, California 95814.

The Final Approval Hearing may be rescheduled by the Court to another date and/or time. Please check with the Settlement Administrator or Class Counsel for any scheduling changes. Contact information is provided below. As discussed below, you may also review the Court’s online records at <https://www.saccourt.ca.gov>.

If you move, you must send the Settlement Administrator your new address; otherwise, you may not receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

Summary of the Litigation

Plaintiffs Charles Harris and Yaseen Abdulrahmaan, on behalf of other current and former employees, allege that Defendant violated California state labor laws by failing to provide meal and rest breaks; pay wages at the regular rate of pay, pay overtime and double time wages; provide compliant wage statement; and timely pay separation pay.

On July 26, 2023, the parties participated in a mediation with Todd Smith, Esq., a neutral, experienced, and well-respected class action mediator. After the exchange of relevant information and evidence, the parties agreed to

enter into settlement negotiations in an attempt to informally resolve the claims in the case. With Mr. Smith's guidance, the parties were able to negotiate a complete settlement of Plaintiffs' claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Edward W. Choi of the Law Offices of Choi & Associates, P.C., David J. Lee of David Lee Law, P.C., and Brandon M. Banks of Brandon Banks Law, P.C (collectively, "Class Counsel"), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny, the factual and legal allegations in the case, and believes that it has valid defenses to Plaintiffs' claims. By agreeing to settle, Defendant is not admitting liability on any of the factual or legal allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiff.

Summary of The Proposed Settlement Terms

Plaintiffs and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$370,000. This amount is inclusive of: (1) all Individual Class Payments; (2) Class Representative Incentive Awards/General Release Payment of \$10,000 each to Plaintiffs for their services on behalf of the Class, and for a release of all claims arising out of his employment with Defendant; (3) \$123,333.33 in attorneys' fees and actual litigation expenses estimated not to exceed \$20,000; (4) a \$40,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$30,000 payment to the California Labor and Workforce Development Agency ("LWDA") and a \$10,000 payment ("Individual PAGA Payment") to all Aggrieved Employees; and (5) reasonable Settlement Administrator's Costs currently estimated at \$13,750. After deducting the above payments, a total of approximately \$156,666.67 (the "Net Settlement Amount") will be allocated to Class Members who do not opt out of the Settlement ("Participating Class Members") Additionally, all Aggrieved Employees will receive a proportional share of the \$10,000 Individual PAGA Payment, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Amount are based on Pay Periods Issued to Each Class Member. "Pay Periods" means the number Pay Periods issued to the Class Members during Class Period. To determine each Settlement Class Member's estimated gross share of the Net Settlement Amount, the Settlement Administrator will use the following formula: Each Participating Class Members shall be entitled to receive a pro rata portion of the Net Settlement Fund (their "Individual Class Payment"), calculated based upon the number of Pay Periods issued thereby during the Class Period, divided by the total number of Pay Periods issued to all Participating Class Members during said period. The Settlement Administrator will calculate the number of Pay Periods issued to Participating Class Members, the amount to be paid per Pay Periods, and the Individual Class Payment to be paid to each Participating Class Member.

According to Defendant's records, you were issued a total of ____ Pay Periods during the Class Period and your estimated gross Individual Settlement is approximately \$ ____.

Payments from PAGA Payment. "Individual PAGA Payment" shall mean each Aggrieved Employee's share of 25% of the PAGA Amount. To determine each Aggrieved Employee's estimated gross share of the Individual PAGA Payment, the Settlement Administrator will use the following formula: Each Aggrieved Employee shall be entitled to receive a pro rata portion of the Individual PAGA Payment, calculated based upon the number of Pay Periods issued thereby during the PAGA Period, divided by the total number of Pay Periods issued to all Aggrieved Employees during said period. The Settlement Administrator will calculate the number of Pay Periods issued to Aggrieved Employees, the amount to be paid per Pay Periods, and the Individual PAGA Payment to be paid to each Aggrieved Employee. A Request for Exclusion does not exclude an Aggrieved Employee from the release of claims

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

under California Labor Code §§ 2698, *et seq.* and all Aggrieved Employees will receive their portion of the PAGA Amount even if he or she submits a valid Request for Exclusion.

According to Defendant's records, you were issued a total of ____ Pay Periods during the PAGA Period your estimated Individual PAGA Payment \$ ____.

Your Total Estimated Gross Payment: Based on the above, your total estimated gross payment from the Settlement is approximately \$ _____. If you believe the pay period information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs). All disputes must be postmarked on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o Phoenix Settlement Administrators

If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

Timing of Payment. The Court will hold a Final Approval Hearing on _____, 2024 to decide whether to approve the Settlement. If the Court approves the Settlement, after that, there may be appeals. If there are appeals, it is uncertain whether they will be resolved and when. Resolving appeals can take time, often more than a year. You can check on the progress of the case by contacting the Settlement Administrator or as discussed below by visiting the Court's website, or going in person to the Clerk's office. *Please be patient.*

Taxes on Settlement Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). Class Members and Aggrieved Employees should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

Fee and Cost Award for Class Counsel. Class Counsel will request attorneys' fees in the amount of up to \$123,333.33, which represents 33 1/3% of the Gross Settlement Amount. Class Counsel will also request reimbursement of reasonable and actual litigation expenses incurred in prosecuting this Action, not to exceed \$20,000. The Court will not determine the amount of fees and costs until the Final Approval Hearing. If any portion of the amounts requested for attorneys' fees and costs are not awarded by the Court, that portion will be included in the Net Settlement Amount for distribution to Settlement Class Members. These attorneys' fees and costs shall compensate Class Counsel for the work they have performed and the expenses they have incurred in this Action. Class Members are not personally responsible for any of Class Counsel's attorneys' fees and costs.

Service Award and General Release Payment to the Class Representative. Class Counsel will also seek Service Award of no more than \$10,000 each for Plaintiffs Charles Harris and Yaseen Abdulrahmaan for acting as representative plaintiff on behalf of the Class and signing a general release of all claims. This payment will be in addition to whatever payment Plaintiffs are otherwise entitled to as a Class Member. If approved by the Court, this amount will be paid from the Gross Settlement Amount for his risk and service on behalf of the Class, which included, among other things, reviewing documents, providing written statements, participating in meetings with Class Counsel, and performing other services of that nature, as well as his general release of all claims against Defendant.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

If want to receive your payment from the Settlement, then no further action is required on your part. You will automatically be issued a payment of your share of the Settlement if and when the Settlement receives final approval by the Court.

If the Court grants final approval of the Settlement, you will be mailed a check for your share of the Net Settlement Amount and be deemed to have released or waived the Released Claims. If you are an Aggrieved Employee, your check will include your share of the Individual PAGA Payment and you will be deemed to have released or waived the PAGA Released Claims:

Released By Participating Class Member: Upon the Effective Date, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, based on the Class Period factual allegations in the Operative Complaint, including, any and all claims involving including meal and rest breaks; wages at the regular rate of pay, overtime and double time wages; wage statement violations; separation pay violations; unfair business practices; and applicable IWC Wage Order(s).

PAGA Released Claims: Upon the Effective Date, Plaintiff as an individual and on behalf of the LWDA and Aggrieved Employees, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the factual allegations in the Operative Complaint and the PAGA Notice, including, any claims involving meal and rest breaks; wages at the regular rate of pay, overtime and double time wages; wage statement violations; separation pay violations; unfair business practices; and PAGA.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Class Settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator. Your request for exclusion must: (i) set forth your name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (ii) be signed by you; (iii) be returned to the Settlement Administrator; (iv) clearly state that you do not wish to be included in the Settlement; and (v) be faxed or postmarked on or before _____, 2023. Sign, date, and mail the request for exclusion by First Class U.S. Mail to the address below.

Settlement Administrator
c/o Phoenix Settlement Administrators

The Request for Exclusion must be postmarked no later than _____, 2023 [insert Response Deadline]. If you submit an untimely Request for Exclusion, your Request for Exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive an Individual Settlement Payment from the Net Settlement Amount.
- Not release the Released Claims.
- If you are an Aggrieved Employee, you will still release the PAGA Claims and receive an Individual PAGA Payment.

Option 3 – Object to the Settlement

Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

All written objections must be mailed to the Settlement Administrator and postmarked no later than _____ 2023 [insert Response Deadline]. By submitting an objection, you are not excluding yourself from the Settlement. To exclude yourself from the Settlement, you must follow the directions described above. Please note that you cannot both object to the Settlement and exclude yourself. You must choose one option only. In the event that you submit both a Request for Exclusion and an Objection, the Request for Exclusion will be valid and Objection will be invalid.

You may also, if you wish, appear at the Final Approval Hearing set for _____, 2023 at _____ .m. in Department 28 of the Sacramento Superior Court located at 720 9th Street, Sacramento, California 95814 and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing. Pursuant to Local Rule 1.06 (A), the court will make a tentative ruling on the merits of this matter by 2:00 p.m., the court day before the Final Approval Hearing. The complete text of the tentative rulings for the department may be downloaded off the court's website. If the party does not have online access, they may call the dedicated phone number for the department as referenced in the local telephone directory between the hours of 2:00 p.m. and 4:00 p.m. on the court day before the hearing and receive the tentative ruling. If you do not call the court and the opposing party by 4:00 p.m. the court day before the hearing, no hearing will be held.

If you choose **Option 3**, you will still be entitled to the money from the settlement. Whether or not the Court overrules your objection, you are deemed bound to the Settlement and to have released the Released Claims, and, if you are an Aggrieved Employee, the Released PAGA Claims.

Additional Information

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement. You can get a copy of the Settlement Agreement and other case documents by calling 1-8xx-xxx-xxxx, or by writing to the Settlement Administrator at [insert address]. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined (a) online on the Superior Court of California, County of Sacramento's Electronic Filing and Service Website at <https://www.saccourt.ca.gov>, or (b) in person at Superior Court of California, County of Sacramento, 720 9th Street, Sacramento, California 95814, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures.

Notice of Final Judgment. Should the Court granted final approval of this Settlement, a copy of the Final Order and Judgment will be available at [INSERT PHOENIX WEBSITE URL]

You also can contact Class Counsel:

Edward W. Choi, Esq.
**LAW OFFICES OF CHOI &
 ASSOCIATES, P.C.**
 515 S. Figueroa Street, Suite 1250
 Los Angeles, CA 90071
 Telephone: (213) 381-1515
edward.choi@choiandassociates.com

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DAVID LEE LAW, APC
 515 S. Flower Street, Ste 1900
 Los Angeles, California 90071
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david@davidjleelaw.com

Brandon M. Banks, Esq.
BRANDON BANKS LAW, APC
 3223 Webster Street
 San Francisco, CA 94123
 Phone: (415) 289-9494
 Email:
brandon@brandonbanksllaw.com

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

PLEASE DO NOT CALL THE COURT, DEFENDANT, OR DEFENDANT'S COUNSEL WITH ANY QUESTIONS RELATED TO THE SETTLEMENT.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

EXHIBIT C