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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF FRESNO

PINA UNG, individually, and on behalf of all other similarly situated current and former employees of Defendants, Plaintiffs, vs. BRODER BROS. CO., dba ALPHABRODER, a corporation; and DOES 1 through 100, inclusive, Defendants.	**Case No.: 23CECG01529** *[Assigned to Hon. Jeffrey Y. Hamilton, Department 503]* **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

This Joint Stipulation of Class Action and PAGA Settlement (together with Exhibits A and B, the "Settlement") is entered into by and between PINA UNG and TIMOTHY PERAZA ("Plaintiffs") on behalf of themselves and as representatives of the Class described in this Settlement, and of the State of California and aggrieved employees regarding the PAGA claims, and Defendant BRODER BROS. CO ("Broder Bros." or "Defendant"). (Plaintiffs and Defendant are at times referred to herein as "the Parties").

1. DEFINITIONS

As used in this Settlement, the following terms will have the meanings specified below:

1.1. "Alleged Claims" means the claims that are alleged in operative Complaint.

1.2. "Complaint" means the operative complaint in Case No. 23CECG01529.

1.3. "Amended Complaint" means the First Amended Complaint to be filed in Case No. 23CECG01529 by stipulation, adding Timothy Peraza as a named plaintiff.

1.4. "Attorneys' Fees" means Class Counsels' fees, up to thirty-five percent (35%) of the Settlement Fund - Maximum, as detailed in Section 7.1 of this Settlement.

1.5. "Class" means all current and former non-exempt hourly employees who were employed by Defendant in California at any time from April 21, 2019, through July 24, 2024. "PAGA Group" means all non-exempt hourly employees of Defendant in California at any time from April 21, 2022, through July 24, 2024.

1.6. "Class Member" means an individual who falls within the definition of the Class. "PAGA Group Member" means an individual who falls within the definition of the PAGA Group.

1.7. "Class Counsel" means RASTEGAR LAW GROUP, A P.C., and JUSTICE LAW CORPORATION.

1.8. "Class Notice" means the form of direct-mail notice to Class Members, substantially in the form attached here as "Exhibit A," as may be modified by the Court.

1.9. "Class Period" means the period from April 21, 2019 through July 24, 2024.

1.10. "Class Representatives" means Plaintiffs Pina Ung and Timothy Peraza.

1.11. "Court" means the Superior Court of California, County of Fresno.

1.12. "Date of Final Approval" means the date the Court enters an order granting final approval of the Settlement ("Final Approval Order").

1.13. "Date of Preliminary Approval" means the date the Court enters an order granting preliminary approval of the Settlement ("Preliminary Approval Order").

1.14. "Effective Date" means the date when the Final Approval Order becomes final. For purposes of this Settlement, the Final Approval Order "becomes final" upon the last to occur of the following: (a) if there are no objections to the Settlement, or there are objections to the Settlement which are withdrawn, the Date of Final Approval; (b) if there are objections to the Settlement which are not withdrawn, and if an appeal, review, or writ is not sought from the Final Approval Order, the day after the time period to appeal the Final Approval Order has expired; or (c) if an appeal, review, or writ is sought from the Final Approval Order, the day after the Final Approval Order is affirmed or the appeal, review, or writ is dismissed or denied, and the Final Approval Order is no longer subject to further judicial review.

1.15. "Last Known Address" means the most recently recorded mailing address for a Class Member as such information is contained in the personnel records maintained by Defendant during the Class Period.

1.16. "Lawsuits" means the California Superior Court actions of *Pina Ung vs. Broder Bros. Co.,* Fresno County Superior Court Case No. 23CECG01529, the United States District Court for the Eastern District of California action of *Timothy Peraza vs. Broder Bros. Co.*, Case No. 1:23-cv-01268-KES-BAM, and the California Superior Court action of *Timothy Peraza vs. Broder Bros. Co.*, Case No. 23CECG03660..

1.17. "Litigation Expenses" means those actual expenses and costs of litigation incurred in the Lawsuits by Class Counsel and approved for reimbursement by the Court, as detailed in Section 7.1 of this Settlement.

1.18. "Notice" means the form of the document attached to this Settlement as Exhibit "A".

1.19. "Notice Period" means a forty-five (45) calendar day period for Class Members to respond to the Notice and object or Opt Out, subject to a potential twenty (20) day extension as detailed in Section 8.9 of this Settlement.

1.20. "Opt Out" means the process by which Class Members can respond to the Notice by requesting that they be excluded from this Settlement as detailed in Section 8.5 of this Settlement.

1.21. "PAGA Payment" means the payment in settlement of claims for civil penalties under the Private Attorneys General Act ("PAGA", Lab. Code, § 2698, *et seq.*) in the amount of $40,000 from the Settlement Fund – Maximum, subject to the Court's approval. Pursuant to the PAGA, 75 percent of the PAGA payment will be paid to the California Labor and Workforce Development Agency, and 25 percent of the PAGA payment will be paid to the PAGA Group Members. Class Representatives and Class Counsel agree that in the event the Court denies approval of this Settlement based on the amount apportioned toward the PAGA Payment and/or the amount allocated between the California Labor Workforce Development Agency and the amount allocated to the PAGA Group Members, the Parties shall make any necessary changes to the amount apportioned toward the PAGA Payment and/or the allocation between the California Labor Workforce Development Agency and the PAGA Group Members, but under no circumstances shall Defendant be required to pay more than the Gross Settlement Amount to do so.

1.22. "PAGA Period" means April 21, 2022, through July 24, 2024.

1.23. "QSF" means a Qualified Settlement Fund to be established by the Settlement Administrator into which payment from Defendant related to this Settlement will be deposited and from which all payments authorized by the Court will be made. Such QSF will be established prior to Defendant's deposit of the Settlement Amount.

1.24. "Reasonable Address Verification Measures" means running the Last Known Addresses and social security numbers of Class Members through the United States Postal Service's National Change of Address database to verify a Class Member's address.

1.25. "Released Claims" means the claims the Class Members release subject to the terms of this Settlement as detailed in Section 10.1 of this Settlement.

1.26. "Service Payment" means the Court approved payment to the Class Representatives for their efforts in prosecuting the Lawsuit and providing a full general release, as detailed in Section 6.4 of this Settlement.

1.27. "Settlement Administration Costs" means the costs and expenses of up to $19,750.00 due to the Settlement Administrator as approved by the Court. "Settlement Administration Costs" include the fees and costs associated with: (1) establishing and maintaining the settlement fund; (2) preparing, issuing and/or monitoring reports, filings, and notices (including the cost of printing and mailing all notices and other documents to the Class Members) required to be prepared in the course of administering the Settlement; (3) computing the amount of the settlement payments, taxes, and any other payments to be made under this agreement; (4) handling inquiries about the calculation of individual settlement payments; (5) establishing and operating a settlement payment center website, address, and phone number to receive Class Members' inquiries about the Settlement; (6) providing a due diligence declaration for submission to the Court prior to the final approval hearing; (7) printing and providing PAGA Group Members and Class Members and the Plaintiff with W-2 and 1099 forms as required under this agreement and applicable law; (8) preparing, issuing, and filing any tax returns and information returns and any other filings required by any governmental taxing authority or other governmental agency; and (9) for such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform.

1.28 "Settlement Administrator" means the third-party settlement administration provider Phoenix Settlement Administrators. The Settlement Administrator will perform the duties specified in this Stipulation and any other duties incidental to such obligations. The Settlement Administrator's duties shall include, without limitation: preparing and distributing the Notice of Settlement; calculating and directing the disbursement of payments to PAGA Group Members, Class Members, Class Counsel, the Class

Representative and the LWDA; calculating and timely paying any and all payroll taxes from the wages portion of the settlement fund to the appropriate tax authorities, as required under this Agreement and applicable law; handling inquiries about the calculation of individual settlement payments; preparing and filing any tax returns and information returns and any other filings required by any governmental taxing authority or other governmental agency; providing weekly status reports to the Parties' counsel; advising counsel for Defendant and Class Counsel of any Class Members who submit objections and/or requests for exclusions from the Settlement; providing a due diligence declaration for submission to the Court prior to the Final Approval Hearing; printing and providing PAGA Group Members, Class Members, and the Class Representative with W-2 and 1099 forms as required under this Agreement and applicable law; arranging for and remitting funds from any uncashed settlement payment to the designated *cy pres* recipients as approved by the Court; and for such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall establish a settlement payment center address, telephone number, facsimile number, and email address to receive Class Members' the Notice of Settlement, requests to be excluded from the Settlement and settlement payments.

1.29. "Settlement Fund – Maximum" means the maximum amount that Defendant will pay under the terms of this Settlement (not including the employer's share payroll taxes), which is the gross settlement amount of Nine Hundred Thousand Dollars ($900,000), and is inclusive of the Settlement Payment, Service Payment, Attorneys' Fees, Litigation Expenses, PAGA Payment, and Settlement Administration Costs, as those terms are defined in this Settlement.

1.30. "Settlement Payment" means the net amount paid to all Class Members, as detailed in Section 6.2 of this Settlement, which is the Settlement Fund – Maximum less the Service Payments, Attorneys' Fees, Litigation Expenses, PAGA Payment, and Settlement Administration Costs.

1.31. "Updated Address" means a mailing address that was updated via Reasonable Address Verification Measures or via an updated mailing address provided by the United States Postal Service or a Class Member.

2. FACTUAL AND PROCEDURAL BACKGROUND

2.1 During the Class Period, Defendant Broder Bros. has been in the business of operating a warehouse in Fresno, California. Class Members and represented individuals are all non-exempt employees that worked in the State of California during the Class Period. The Class Representatives contend that Class Members/represented individuals were not paid for all overtime, denied compliant meal and rest breaks, were not paid minimum wage, were not reimbursed for expenses, were not timely paid and were not provided with accurate wage statements, among other things. Defendant denies all of Plaintiff's claims.

2.2 On April 21, 2023, the Plaintiff Pina Ung's lawsuit was filed in the Superior Court of California, County of Fresno, alleging: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay minimum wage and straight time wages; (4) Failure to provide accurate itemized wage statements; (5) failure to timely pay wages due upon termination; (6) Unfair Business Practices; and, (7) Representative action for civil penalties under the California Labor Code Private Attorneys General Act. On June 1, 2023, Defendant removed the action to the United States District Court, Eastern District of California. On July 14, 2023, Plaintiff Timothy Peraza's first lawsuit was filed in the Superior Court of California, County of Fresno, alleging: (1) Unpaid overtime; (2) Unpaid meal period premiums; (3) Unpaid rest period premiums; (4) Unpaid minimum wages; (5) Final wages not timely paid; (6) Non-compliant wage statements; (7) Unreimbursed business expenses; and, (9) Violation of California Business & Professions Code § 17200. On August 23, 2023, Defendant removed the action to the United States District Court, Eastern District of California. On September 7, 2023, Plaintiff Timothy Peraza's second lawsuit was filed in the Superior Court of California, County of Fresno, alleging a cause of action for Civil Penalties under the California Labor Code Private Attorneys General Act.

2.3 The Parties have undertaken significant investigation and informal discovery during the prosecution of the Lawsuits. Such discovery and investigation include extensively interviewing the Class Representatives and Defendant's production and Class Counsel's review of time and payroll records, policy statements, employee handbooks, and other detailed information relevant to the Class Members/represented individuals' claims. Counsel for the Parties have investigated the law as applied to the facts discovered regarding the alleged claims of the Class and potential defenses thereto, and the potential damages claimed by the Class, including the review of the records produced by Defendant to Class Counsel for the purposes of mediation. Class Counsel has also obtained expert analysis of this documentation to determine the scope of Class Members/represented individuals' potential damages.

2.4 On July 24, 2024, the Parties engaged in mediation of the Lawsuits with the Hon. Howard R. Broadman (Ret.) The mediation resulted in an agreement resolving the case, which was thereafter formalized in a Memorandum of Understanding ("MOU"). With the assistance of Judge Broadman, the Class Representatives and Class Counsel have concluded, after considering the sharply disputed factual and legal issues involved in the Lawsuits, the risks attending further prosecution, and the substantial benefits to be received pursuant to the compromise and settlement of the Lawsuits as set forth in this Agreement, that this Settlement is in the best interests of the Class Representatives, the PAGA Group Members, and the Class Members, and is fair and reasonable. Similarly, Defendant has concluded that there are benefits associated with settling the Lawsuits. After considering the sharply disputed factual and legal issues involved in the Lawsuits, the expense and burden of protracted litigation, and its desire to put the controversy to rest, Defendant believes that this Settlement is in its best interests. At all times, the Parties' negotiations were adversarial, non-collusive, and at arms' length.

2.5 This Settlement contemplates: (i) The remand of the *Ung* action to state court (ordered by the Federal Magistrate on September 25, 2024), and the filing of an amended complaint in the Superior Court *Ung* action adding Timothy Peraza as a named plaintiff; (ii) the resolution of the Class's PAGA claims; (iii) entry of an order settling and dismissing the Class's PAGA claims; (iv) entry of an order preliminarily approving the Settlement of Class Members' Class claims and approving certification of a provisional Class of Class Members' claims for settlement purposes only; (v) dissemination of a notice to Class Members about the settlement; (vi) entry of a Final Approval Order granting final approval of the Settlement of Class Members' claims; and (vii) entry of final judgment. The Parties agree that, in the event that they are unsuccessful in obtaining final approval of the Settlement in State Court, the remanded *Ung* action shall be dismissed and Class Representatives and Class Counsel shall proceed on class claims solely in the federal *Peraza* action, in which case the tolling of the statute of limitations on the claims from the dismissed *Ung* action then being pursued in the federal *Peraza* action will relate to the filing of the Superior Court complaint in the *Ung* action. In the event that efforts to reinstate the Federal *Peraza* action fail, the litigation shall proceed in the Federal *Ung* action pursuant to the September 25, 2024 order of United States Magistrate Judge Barbara A. McAuliffe.

3. ADDITIONAL RECITALS

3.1 The Parties are sufficiently familiar with the facts of the Lawsuits and applicable law so as to warrant settlement at this time.

3.2 The Parties are represented by competent counsel and have had the opportunity to consult with counsel prior to the submission of this Settlement to the Court. Pursuant to California Evidence Code Sections 1119 and 1152, this Settlement and any related documents filed or created in connection with it will be inadmissible in evidence in any proceeding, except as necessary to approve, interpret or enforce this Settlement.

3.3 Defendant denies any liability or wrongdoing of any kind associated with the Lawsuits or the Alleged Claims, and further denies, for purposes other than the settling of the Lawsuits, that any part of the Lawsuits is appropriate for class or representative treatment. Defendant has denied and continues to deny each and every material factual allegation and alleged claim asserted in the Lawsuits. Nothing in this Settlement will constitute an admission by Defendant of wrongdoing or liability or of the truth of any factual allegation in the Lawsuits. In addition, nothing in this Settlement will constitute an admission by Defendant that the Lawsuits were properly brought on a class or representative action basis other than for settlement purposes.

3.4 The Class Representatives and Class Counsel believe that the claims asserted in the Lawsuits have merit. Class Counsel, however, recognize and acknowledge the significant expense and length of continued proceedings necessary to prosecute the litigation against Defendant through trial and potentially through appeal. Class Counsel are also mindful of the challenges of obtaining class certification, proving liability and damages, and resolving possible defenses to the Alleged Claims. Class Counsel have performed a thorough study of the law and facts relating to the Alleged Claims and have concluded, based upon their investigation and informal discovery, and taking into account the sharply contested issues, the expense and time necessary to pursue the Lawsuits through trial, the risks and costs of further prosecution of the Lawsuits, the uncertainties of complex litigation, and the substantial benefits to the Class, that a settlement with Defendant on the terms set forth in this Settlement is fair, reasonable, adequate, and in the best interests of the Class. Class Counsel and the Class Representatives believe that the Settlement confers substantial benefits to the Class. Nothing in this Settlement will constitute an admission by Plaintiffs that the Alleged Claims lack merit or that any of Defendant's affirmative defenses are valid.

4. CONDITIONAL CLASS CERTIFICATION

4.1 The Parties conditionally stipulate to class certification for purposes of this Settlement only. In the event that class certification for Settlement purposes is deemed null and void, then that class certification will have no precedential value and it will not be introduced into evidence or used for any other purpose.

5. SETTLEMENT CONSIDERATION

5.1 Each Class Member who does not Opt Out of this Settlement shall receive his or her individual share of the Settlement Payment as applicable from the Settlement Fund – Maximum (less the Service Payment, Attorneys' Fees, Litigation Expenses, PAGA Payment, and Settlement Administration Costs). Aside from the employer's share of any applicable payroll taxes, which will be paid separately by Defendant, in no event will Defendant be obligated to pay more than the Settlement Fund - Maximum. The amounts paid under the Settlement will constitute adequate consideration for the Class Members' Released Claims and for the Class Representatives' general release as detailed in Section 10.2 of this Settlement.

5.2 Each Class Member who does not Opt Out of this Settlement will receive a Settlement Payment, calculated as follows:

a. <u>Class Period</u>: Each Class Member's Settlement Payment will be based on the ratio of workweeks worked by that Class Member during the Class Period, in comparison to the workweeks worked by all Class Members during the Class Period, multiplied by the total Settlement Payment.

b. The Settlement Payment to Class Members will be apportioned as twenty percent (20%) wages for which each Class Member will be issued an IRS Form W-2, and eighty percent (80%) penalties, interest and other non-wage payments for which each Class Member will be issued an IRS Form 1099. The Settlement Administrator will deduct applicable taxes from the wage portion of the Settlement Payment.

5.2.1 <u>PAGA Period</u>: Each PAGA Group Member's PAGA Payment will be based on the ratio of workweeks worked by that PAGA Group Member during the PAGA Period, in comparison to the workweeks worked by all PAGA Group Members during the PAGA Period, multiplied by the total PAGA Payment. The PAGA Payment to PAGA Group Members will be apportioned as 100% penalties, interest and other non-wage payments for which each PAGA Member will be issued an IRS Form 1099, if required by law. PAGA Group Members may not Opt-Out of the PAGA Settlement.

5.3 Any disputes regarding the number of workweeks a Class Member worked during the Class Period, or the calculation of an individual Class Member's Settlement Payment, will be resolved and decided by the Settlement Administrator based on Defendant's timekeeping records. The Settlement Administrator's decision on all such disputes will be final and non-appealable. Any disputes regarding the number of workweeks a PAGA Group Member worked during the PAGA Period, or the calculation of an individual PAGA Group Member's PAGA Payment, will be resolved and decided by the Settlement Administrator based on Defendant's timekeeping records. The Settlement Administrator's decision on all such disputes will be final and non-appealable.

5.4 In exchange for the Class Representatives executing a general release, and in recognition of their efforts in prosecuting the Lawsuits, Defendant agrees not to oppose any application or motion for Service Payments of up to Ten Thousand Dollars ($10,000) each to the two Class Representatives. The Class Representatives' Service Payments, which will be paid from the Settlement Fund - Maximum, will be in addition to the Class Representatives' individual shares of the Settlement Payment. The Class Representatives will be solely and legally responsible to pay any and all applicable taxes on the payments made pursuant to this paragraph and will indemnify and hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payment. Class Representatives agree that in the event the Court awards an amount for the Service Payments to Class Representatives less than the amount requested, or denies the Service Payment entirely, the amount awarded and/or denial shall not constitute a material change to the settlement.

5.5 Aside from the employer's share of any applicable payroll taxes, which will be paid separately by Defendant, any Class Member who receives a Settlement Payment will be solely responsible for any and all tax obligations associated with the Settlement Payment.

5.6 Class Members will not be entitled to any additional benefits including, for example (but without limitation), vacation, holiday pay, pension, or 401(k) plan contributions based on the Settlement Payment. The Settlement Payment does not represent any modification of previously credited hours of service or other eligibility criteria under any employee pension or employee welfare benefit plan sponsored by Defendant. The Settlement Payment is not “compensation” for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan, an employee welfare benefit plan, or other plan sponsored by Defendant or its predecessors, subsidiaries, or successors.

6. ATTORNEYS’ FEES AND COSTS OF CLASS COUNSEL

6.1 Defendant will pay Attorneys’ Fees awarded to Class Counsel out of the Settlement Fund - Maximum. Defendant will not oppose Class Counsel’s submission of an application for an award of Attorneys’ Fees not to exceed thirty-five percent (35%) of the Settlement Fund - Maximum. Class Counsel will also submit an application for an award of their actual Litigation Expenses, not to exceed Thirty Thousand Dollars ($30,000). Defendant will not oppose a motion for approval of Attorneys’ Fees and Litigation Expenses consistent with this Settlement. The amounts set forth in this Section will constitute complete consideration for all work performed and expenses incurred through the completion of Settlement of the Lawsuit. Class Representatives and Class Counsel agree that in the event the Court awards an amount for Attorneys’ Fees and/or Litigation Expenses that is less than the amount requested, the amount awarded shall not constitute a material change to the settlement.

7. NOTICE AND OBJECTION/OPT OUT/DISPUTE PROCEDURES

7.1 Within twenty-one (21) calendar days following the Date of Preliminary Approval, Defendant will provide to the Settlement Administrator all of the following information about each Class Member: (1) Name, (2) Last Known Address (and email address, if available), (3) Social Security Number, and (4) the number of workweeks worked during the Class Period.

7.2 Not later than fifteen (15) calendar days after Defendant provides the Settlement Administrator the information detailed in Section 8.1, the Settlement Administrator will send each Class Member, via U.S. Mail, the Notice. The Settlement

Administrator will mail the Notice to the Last Known Address of each Class Member and comply with the procedures specified in Section 8.3 of this Settlement. Additionally, the Notice will also be provided by email to those Class Members for whom Defendant has an email address.

7.3 Prior to mailing the Notice to each Class Member, the Settlement Administrator will undertake a Reasonable Address Verification Measure to ascertain the current accuracy of the Last Known Address for each Class Member.

7.4 Subject to Court approval, Class Members will have the Notice Period to object to or Opt Out of the Settlement. Any Class Member who wishes to object to the Settlement must do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than forty-five (45) calendar days after the Settlement Administrator mails the Notice. To be valid, the objection must: (a) set forth the objecting person's full name, address, and telephone number; (b) contain the words "Notice of Objection"; (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list witness(es) the objector may call to testify at the Final Approval Hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval Hearing. Class Members may also appear at the Final Approval Hearing, either in person or through a lawyer retained at their own expense.

7.5 Class Counsel shall file any written objections from any Class Members submitted to the Settlement Administrator and any response to any such objections at least five (5) court days prior to the Final Approval Hearing.

7.6 Class Members who wish to Opt Out of the Settlement must mail, fax, or email a written request for exclusion from the Settlement to the Settlement Administrator. To be valid, the written request for exclusion must be addressed to the Settlement Administrator and: (a) state the Class Member's name, address, telephone number, and the last four numbers of their social security number; (b) state the Class Member's intention to Opt Out of the Settlement; (c) be signed by the Class Member or their lawful representative; and (d) be postmarked, faxed, or emailed no later than forty-five (45) calendar days after the Settlement Administrator mails the Notice to the Class. Class Members who wish to Opt Out of the Settlement may do so by completing and timely returning the Request for Exclusion form to be provided with the Class Notice, in the form attached hereto as Exhibit B. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may request additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and signed request to Opt Out of the Settlement will not participate in or be bound by the Settlement and subsequent judgment, and will not receive a Settlement Payment. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will be mailed his or her individual Settlement Payment under the terms of this Settlement, and be bound by all terms and conditions of the Settlement upon the Court's approval of the Settlement, regardless of whether he or she has objected to the Settlement. It shall be conclusively presumed that, if a Request for Exclusion is not timely postmarked, the Class Member did not make the request in a timely manner.

7.7 Class Members who wish to dispute the number of workweeks attributed to them based on Defendant's records and listed on their Notice must mail, fax, or email a written dispute to the Settlement Administrator. Class Members must clearly state their dispute in a written letter. If Class Members are disputing the number of workweeks attributed to them, they must timely submit information or evidence to support their claim that Defendant's records are in error and demonstrate the number of workweeks that they contend should be credited to them. The dispute must (a) state the Class Member's name, address, telephone number, and the last four numbers of their social security number; (b) clearly state the Class Member's dispute; (c) be signed by the Class Member or their lawful representative; and (d) be postmarked, faxed, or emailed no later than forty-five (45) calendar days after the Settlement Administrator mails the Notice to the Class. Class Members who wish to dispute the number of workweeks attributed to them may use the Settlement Allocation form to be provided with the Class Notice, in the form attached hereto as Exhibit C. If there is such a dispute, the Settlement Administrator will consult with Class Counsel and with counsel for Defendant to determine whether any adjustment is warranted. However, the Settlement Administrator shall retain ultimate authority to resolve any dispute, and the decision of the Settlement Administrator will be final, binding, and non-appealable.

7.8 The postmark date of the Notice, and any mailed objection or Opt Out, will be deemed the date that any such mailing was completed. If the last day of the Notice Period falls on a Sunday or legal holiday, the Notice Period will extend through the next business day.

7.9 Not less than every seven (7) days, the Settlement Administrator will notify the Parties' counsel of the number of Class Members who have objected to, or requested to Opt Out of, the Settlement.

7.10 Unless the Settlement Administrator receives a Notice returned from the United States Postal Service, or is otherwise notified by a Class Member or Class Counsel, mailing of the Notice will be considered completed and it will be conclusively presumed that the Class Member received the Notice. If the Notice is returned by the United States Postal Service to the Settlement Administrator with a forwarding address for the recipient, the Settlement Administrator will re-mail the Notice to that Updated Address no later than the last day of the Notice Period. If the Notice is returned by the United States Postal Service to the Settlement Administrator without a forwarding address, the Settlement Administrator will promptly conduct a "Skip Trace" search to locate a more current address. If a more current address is found, the Settlement Administrator will promptly re-send the Notice no later than the last day of the Notice Period. For those Class Members who are re-sent the Notice under this Section, the Notice Period will be extended another twenty (20) calendar days beyond the initial Notice Period. Within five (5) business days following the end of the extended twenty (20) calendar day period, the Settlement Administrator will provide a final report of the number of Class Members who have objected to, or requested to Opt Out of, the Settlement. Members of the PAGA group may not Opt-Out of the PAGA settlement, and will receive their proportionate shares of the PAGA settlement regardless of whether they Opt-Out or object to the Class Settlement.

7.11 Before the Effective Date occurs, if three percent (3%) or more of the Class Members Opt Out of this Settlement, then Defendant has the sole right to withdraw from and void this Settlement and the Parties' previously-executed memorandum of understanding.

7.12 Defendant represents that there were approximately 66,292 work weeks between April 20, 2019 and May 4, 2024. The foregoing figure is a material representation upon which Plaintiffs rely in entering into this Settlement. If, by the conclusion of the Class Period, the number of work weeks exceeds 66,292 by more than 5% (i.e. exceeds 69,606), Defendant must, at its election, either (a) increase the Gross Settlement Amount in the exact proportionate amount as to any additional work weeks or (b) end the Class Period on the date that the total work weeks equals 66,292 work weeks. If the number of work weeks for the class period is 5% or less higher than the estimated workweeks there shall be no increase in the Gross Settlement Amount or change to the Class Period.

8. PAYMENT OF CLAIMS, ATTORNEYS' FEES, LITIGATION EXPENSES AND SERVICE PAYMENT

8.1 Each Class Member who does not Opt Out will be entitled to a Settlement Payment pursuant Section 6.2 of this Settlement. Each PAGA Group Member will be entitled to a PAGA Payment pursuant Section 6.2.1 of this Settlement.

8.2 Not later than seven (7) calendar days following the latter of 1) the Effective Date, and 2) the date the Settlement Administrator provides Defendant with wire instructions for depositing the Gross Settlement Amount and verbally verifies the authenticity of those wire instructions with Defendant by a telephone call prior to the transfer, initiated by Defendant using the Settlement Administrator's telephone number published on its known website, Defendant will provide the Settlement Administrator with the Settlement Fund - Maximum, which the Settlement Administrator will deposit into a

QSF account.

8.3 Not later than seven (7) calendar days following receipt of the Settlement Fund - Maximum, the Settlement Administrator will mail to each Class Member and PAGA Group Member a check in the amount calculated pursuant to Sections 6.2 and 6.2.1 of this Settlement, will reimburse the Settlement Administrator’s approved costs and fees, will provide Class Counsel with checks made out to Plaintiffs representing the approved Service Payments pursuant to Section 6.4 of this Settlement, will provide Class Counsel with the approved Attorneys’ Fees and Litigation Expenses pursuant to Section 7.1 of this Settlement, and will pay to the California Labor and Workforce Development Agency (“LWDA”) the LWDA’s portion of the PAGA Payment pursuant to Section 1.20 of this Settlement.

8.4 Any checks issued to PAGA Group Members and to Class Members will remain negotiable for a period of one hundred eighty (180) days from the date of mailing. If a PAGA Group Member’s or a Class Member’s check is not cashed within 180 days, the check will be void and a stop payment order may be placed on the check. In such event, the Settlement nevertheless will be binding upon the PAGA Group Member or Class Member. The funds represented by all uncashed settlement checks will be governed by California Code of Civil Procedure section 384, as approved by the Court. The funds represented by all uncashed checks will be disbursed to the Unclaimed Property Fund in the name of the Class Member whose check was not cashed.

8.5 The Settlement Administrator shall be responsible for ensuring that all payroll taxes owed by the Class Members for wages received pursuant to this Settlement are timely paid to the appropriate tax authorities. The Settlement Administrator’s responsibilities include the following: (a) filing all Federal, state, and local employment tax returns, tax withholding returns, and any other tax returns associated with the taxes, (b) timely and proper filing of all required Federal, state, and local information returns (e.g., 1099s, W-2s, etc.) with the appropriate taxing authorities, and (c) completion of any other steps necessary for compliance with any tax obligations of the settlement fund under Federal, state and/or local law. The Settlement Administrator shall furnish Class Counsel and Defendant's counsel with a final accounting adequate to demonstrate full compliance with all tax withholding, payment and reporting obligations.

9. RELEASED CLAIMS

9.1 Class Release

As of the Effective Date, each Class Member who does not Opt Out of this Settlement, on behalf of themselves and each of their heirs, representatives, successors, assigns, and attorneys, hereby releases, resolves, relinquishes, and discharges Defendant and the Released Parties of any and all claims, demands, rights, liabilities and causes of action that were asserted in the Complaints in the Lawsuits or that could have been asserted based on the factual allegations in the Complaint in the Lawsuits, i.e., (1) failure to pay all minimum and/or straight time wages; (2) failure to pay all overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to adopt a compliant sick pay policy; (6) failure to comply with itemized employee wage statement provisions; (7) failure to pay all wages due at the termination of employment; (8) failure to reimburse/illegal deductions; and, (9) violation of Unfair Competition Law, and for violations and penalties under PAGA for any violations enumerated above, together with any other civil penalties, waiting time penalties, or other fines, penalties, interest, or charges of any kind that were asserted in the Complaints in the Lawsuits or that could have been asserted based on the factual allegations in the Complaints in the Lawsuits at any time during the Class Period ("Released Claims"). The release shall run for the duration of the Class Period. "Released Parties" means Defendant, and any of its past, present, or future direct or indirect parents, subsidiaries, predecessors, successors, affiliates, and temporary staffing agencies as well as each of their past, present, and futures officers, directors, employees, partners, members, owners, shareholders, agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant.

9.2 General Release by Class Representatives

In addition to releasing the Released Claims against the Released Parties, the Class Representatives agree that the consideration set forth in this Settlement represents full settlement of all known and unknown claims that they have had or may have had against the Released Parties. The Class Representatives, on behalf of themselves and their heirs, representatives, successors, assigns, and attorneys, hereby compromise, release, resolve, relinquish, discharge and settle each and all of the Released Parties from any and all known and unknown claims, liabilities, and obligations of every kind (including penalties, equitable relief, punitive damages, attorneys' fees and costs) that the Class Representatives have ever had or now may have against any of the Released Parties arising out of or relating to facts, events, occurrences, or omissions they have had or may have had against any of them.

The claims the Class Representatives are releasing include, but are not limited to claims: (a) arising out of Class Representatives' employment with Defendant; (b) arising under Defendant's policies, plans, or practices, including promotion, compensation (including overtime pay, commissions, vacation pay, meal and rest breaks, bonuses, stock options, severance pay, and expense reimbursement or benefits); (c) arising under the California Labor Code; (d) for violation of California common law or statutory law, including all claims arising under the California Constitution, the California Fair Employment and Housing Act, the California Labor Code, the California Private Attorneys General Act of 2004, the California Business & Professions Code, including sections 17200 *et seq.*, the California Family Rights Act, the California Equal Pay Act and Fair Pay Act, all as may have been amended from time to time; (e) other applicable federal, state or local laws relating to employment or separation from employment or benefits or penalties associated with employment or separation from employment; (f) for fraud, breach of express or implied contract or covenant of good faith and fair dealing; (g) for harassment, discrimination or violation of public policy; (h) for constructive discharge or wrongful discharge; (i) for retaliation; (j) for negligent supervision; (k) for violation of state or federal common law or statutory law, including the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, the Family and Medical Leave Act, the Americans with Disabilities Act, the Genetic Information Nondiscrimination Act, and the Sarbanes-Oxley Act of 2002, all as may have been amended from time to time, or other applicable federal, state, or local laws relating to employment or separation from employment or benefits or penalties associated with employment or separation from employment; (l) for emotional distress, mental anguish, humiliation, personal injury; and (m) that may be asserted on the Class Representatives' behalf by others. Excluded from the Class Representatives' release are claims which cannot be waived or released as a matter of law, claims that may arise as a result of events occurring after the date Class Representatives sign this Settlement or any vested benefits earned during Class Representatives' active employment, if any, under all Defendant's qualified retirement plans, as determined under the official terms of those plans.

The Class Representatives specifically acknowledge that they are aware of and familiar with the provisions of California Civil Code Section 1542, which provides as follows:

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.

The Class Representatives waive and release any rights that they may have under Section 1542 to the full extent that all such rights may lawfully be waived. The Class Representatives understand and acknowledge that the significance of this waiver of Section 1542 is that Class Representatives may later discover facts different from or in addition to those they now know or believe to be true with respect to any claims released, and the Class Representatives expressly agree to assume the risk of possible discovery of additional or different facts, and agree that this Settlement will remain effective in all respects regardless of such additional or different discovered facts. The Parties acknowledge that without this waiver they would not have entered into this Settlement.

10. MOTION FOR COURT APPROVAL

10.1 Motion for Preliminary Approval

As soon as practicable, Class Counsel will file on behalf of the Class Representatives: (i) this Settlement; (ii) a noticed motion seeking the Court's preliminary approval of this Settlement ("Motion for Preliminary Approval"); (iii) a proposed Preliminary Approval Order including an order setting hearing for final approval; and (iv) any other documents consistent with the Settlement and reasonably necessary to obtain the Court's approval of the Settlement. Defendant will not oppose said motion so long as Defendant has the opportunity to review, comment, and file an objection if the moving papers are inconsistent with the terms of the MOU.

10.2 Final Approval Hearing

On the date set by the Court, the Final Approval Hearing shall be held before the Court in order to: (1) determine whether the Court should give this Stipulation final approval; (2) determine whether Class Counsel's application for attorneys' fees and costs, and request for the Service Awards to the Class Representatives, should be granted; and (3) consider any timely Objections to the Settlement, including Class Counsel's and Defendant's Counsel's responses thereto. At the Final Approval Hearing, the Class Representatives, Class Counsel, and Defendant's Counsel shall ask the Court to give final approval to this Settlement. Upon final approval, the Court shall enter a Final Approval Order (in a form submitted by Class Counsel and approved by Defendant's Counsel) which has the effect of adjudicating all claims set forth in the First Amended Complaint and implementing the release of Non-PAGA Released Claims, as set forth in this Agreement. The Final Approval Order will be posted on the Settlement Administrator's website, which will constitute service of the judgment upon Class Members, as required by California Rule of Court 3.771(b).

11. COOPERATION

11.1 The Parties will cooperate fully with one another in seeking Court approval of this Settlement and use their respective best efforts to obtain Final Approval. The Parties therefore will cooperate in good faith to promptly prepare, execute and finalize all Settlement-related documents, seek all necessary Court approval, and do all other things necessary to obtain Final Approval.

11.2 The Parties and their counsel consider this Settlement to be fair and reasonable. The Parties and their counsel will not solicit or otherwise encourage Class Members to submit written objections to, or Opt Out from, the Settlement or encourage Class Members to appeal the Court's Final Approval Order.

12. MISCELLANEOUS PROVISIONS

12.1 All of the Parties have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement is made with the consent and advice of counsel.

12.2 The Class Representatives and Defendant acknowledge that they are entering into this Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever and that neither the Class Representatives nor Defendant have relied on any promises, representations, or warranties regarding the subject matter hereof other than as set forth in this Stipulation.

12.3 This Settlement may not be modified or amended, except in a writing that is signed by the respective counsel of record, or by the Parties, and approved by the Court.

12.4 This Settlement and the exhibits attached constitute the entire agreement between the Parties concerning the subject matter of the Settlement, and supersede and replace all prior negotiations, understandings, memoranda of understanding and proposed agreements, written and oral, relating to the Settlement. No extrinsic oral or written representations or terms will modify, vary or contradict the terms of the Settlement unless made in writing and signed by duly authorized representatives of all Parties and approved in writing by a final order of the Court. No waiver of any term, provision or condition of this Settlement, whether by conduct or otherwise, in any one or more instance will be deemed to be or construed as a further or continuing waiver, of any such term, provision or condition.

12.5 This Settlement will be subject to, governed by, construed, enforced, and administered in accordance with the laws of the State of California, without giving effect to the principles of conflict of laws, both in its procedural and substantive aspects, and will be subject to the continuing jurisdiction of the Court. This Settlement will be construed as a whole according to its fair meaning and intent, and not strictly for or against any party, regardless of who drafted (or was principally responsible for drafting) this Settlement or any specific term or condition of the Settlement.

12.6 The Parties agree that this Settlement is confidential (except for purposes of enforcement) and that no Party will issue any press release or other public or non-public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the settlement.

12.7 The Parties agree not to object to any Court filings consistent with this Agreement. The Parties further agree that upon signing, the litigation and any related deadlines will be stayed for all purposes without prejudice to resume if the settlement is not approved.

12.8 Class Representatives and Class Counsel represent that they have complied with any and all prefiling requirements for their PAGA claims against Defendant, including but not limited to providing notice to the California Labor and Workforce Development Agency as required by California Labor Code section 2699.3. Class Representatives and Class Counsel further agrees to provide any and all notices to the California Labor and Workforce Development Agency required to effectuate this Settlement, including the notice required by California Labor Code section 2699 subdivision (l)(2).

12.9 This Settlement is subject to the execution of all Parties. However, the Settlement may be executed in one or more counterparts. All executed counterparts, including facsimile and scanned copies of the signature page, will be deemed to be one document.

12.10 The Settlement will be binding upon and inure to the benefit of the Parties' respective successors, assigns, heirs, spouses, executors, administrators and legal representatives. The Settlement is not designed to and does not create any third-party beneficiaries either express or implied.

12.11 Plaintiffs represent, covenant 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, cause of action or rights released and discharged in this Settlement. No Class Member may assign his or her claim to any third party.

12.12 The Parties agree that upon the Settlement of this case, the Court will retain jurisdiction over the Parties to enforce the Settlement.

12.13 All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered personally or by first class mail to the undersigned persons at their respective addresses as set forth below:

COUNSEL FOR CLASS REPRESENTATIVE / CLASS COUNSEL

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Douglas W. Perlman
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Torrance, California 90505
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douglas@rastegarlawgroup.com
Telephone: (310) 961-9600
Facsimile: (310) 961-9094

DOUGLAS HAN (SBN 232858)
SHUNT TATAVOS-GHARAJEH (SBN 272164)
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5200 North Palm Avenue
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Fresno, California 93704.2225
Telephone: 559.244.7500
Fax No.: 559.244.7525

12.14 Each individual signing this Settlement warrants that he or she has the authority and is expressly authorized to enter into this Settlement on behalf of the party for which that individual signs.

Dated: 12/09/2024

Pina Ung

Dated:

Timothy Peraza

DEFENDANT BRODER BROS. CO.

Dated:

By: ______________________
Its: ______________________

RASTEGAR LAW GROUP, A.P.C.

Dated: December 11, 2024

By: ______________________
Farzad Rastegar
Douglas W. Perlman
Attorneys for Plaintiffs

Telephone: (818) 230-7502
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COUNSEL FOR DEFENDANT

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5200 North Palm Avenue
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Fresno, California 93704.2225
Telephone: 559.244.7500
Fax No.: 559.244.7525

12.14 Each individual signing this Settlement warrants that he or she has the authority and is expressly authorized to enter into this Settlement on behalf of the party for which that individual signs.

Dated:

____
Pina Ung

Dated: 12/09/2024

Timothy P
____
Timothy Peraza

DEFENDANT BRODER BROS. CO.

Dated:

By: ______________________
Its: ______________________

RASTEGAR LAW GROUP, A.P.C.

Dated:

By: ______________________
Farzad Rastegar
Douglas W. Perlman
Attorneys for Plaintiffs

Telephone: (818) 230-7502
Facsimile: (818) 230-7259

COUNSEL FOR DEFENDANT

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5200 North Palm Avenue
Suite 302
Fresno, California 93704.2225
Telephone: 559.244.7500
Fax No.: 559.244.7525

12.14 Each individual signing this Settlement warrants that he or she has the authority and is expressly authorized to enter into this Settlement on behalf of the party for which that individual signs.

Dated:

____
Pina Ung

Dated:

____
Timothy Peraza

DEFENDANT BRODER BROS. CO.

Dated: December 5, 2024

By: Peter T Gilfoman
Its: General Counsel & Secretary

RASTEGAR LAW GROUP, A.P.C.

Dated:

By: ________________________
Farzad Rastegar
Douglas W. Perlman
Attorneys for Plaintiffs

Dated: 12/16/24

JUSTICE LAW CORPORATION

By: [signature]
Douglas Han
Shunt Tatavos-Gharajeh
Jamie Nguyen

Attorneys for Plaintiffs

Dated:

LITTLER MENDELSON

By: ______________________________
Jason Borchers
Andrew Woo

Attorneys for Defendant

Dated:

JUSTICE LAW CORPORATION

By: ______________________________

Douglas Han
Shunt Tatavos-Gharajeh
Jamie Nguyen

Attorneys for Plaintiffs

Dated: December 6, 2024

LITTLER MENDELSON

By: ______________________________

Jason Borchers
Andrew Woo

Attorneys for Defendant

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF FRESNO
Pina Ung and Timothy Peraza v. Broder Bros. Co.
Case No. 23CECG01529

A court authorized this notice. This is not a solicitation. This is not a lawsuit against you and you are not being sued. However, your legal rights are affected by whether you act or do not act.

TO: All individuals who were employed by Broder Bros. Co., as non-exempt employees in California at any time during the period from April 21, 2019, through July 24, 2024.

You have received this notice because records indicate you qualify as a member of the Settlement Class. This notice is designed to advise you of how you can participate in the settlement, how you can object to the settlement, and how you can exclude yourself from the settlement.

By order of the Honorable Jeffrey Y. Hamilton, Jr. in the lawsuit identified in the caption above, pending in the Fresno County Superior Court, entered on <<preliminary approval>>, YOU ARE HEREBY NOTIFIED AS FOLLOWS: The Court has preliminarily approved a settlement reached between the parties, subject to final approval by the Court. The settlement covers all individuals who were employed by Broder Bros. Co., as non-exempt employees in California at any time during the period from April 21, 2019, through July 24, 2024. The Court has determined that there is sufficient evidence that the settlement is fair and reasonable, and has ordered that this notice be sent Class Members.

YOU MAY BE ENTITLED TO RECEIVE MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

I. BACKGROUND OF THE CASE

On April 21, 2023, Plaintiff Pina Ung filed a lawsuit in Fresno County Superior Court against Broder Bros. Co. ("Defendant"). The lawsuit alleged violation of California Labor Code Sections 201-204, 226, 226.7, 512, 1194, 1194.2 and 1197, and Wage Order 7-2001. The lawsuit was removed to Federal Court, and subsequently remanded back to Superior Court. Thereafter, Plaintiff filed a First Amended Complaint, adding Plaintiff Timothy Peraza as a Named Plaintiff. On July 14, 2023, Plaintiff Timothy Peraza filed a lawsuit in the Fresno County Superior Court against Broder Bros. Co. (Timothy Peraza v. Broder Bros., Co., Case Number 23CECG02855, later removed to the United States District Court for the Eastern District of California, Case Number 1:23-cv-01268-KES-BAM), and on September 7, 2023, Plaintiff Timothy Peraza filed a second lawsuit in the Fresno County Superior Court against Broder Bros. Co. (Timothy Peraza v. Broder Bros., Co., Case Number 23CECG03660)

The parties and their attorneys believe that further proceedings in this case, including a trial and probable appeals, would be very expensive and protracted. No one can confidently predict how the various legal questions at issue, including liability, and the amount of damages or penalties, if any, would ultimately be resolved. Therefore, upon careful consideration of all of the facts and circumstances of this case, the parties believe that the proposed settlement described below is fair, reasonable and adequate.

The Court has not made any determination as to whether the claims advanced by Plaintiffs have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. Defendant contends that Class Members were properly compensated and expressly denies that it did anything wrong or that it violated the law and further denies any liability whatsoever to Plaintiffs or to the Class. Defendant's agreement to enter into a settlement with Plaintiffs is not an admission by Defendant of wrongdoing or liability or of the truth of any factual allegations made in the lawsuit.

Attorneys for Plaintiffs and the Class in the Litigation are:

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JUSTICE LAW CORPORATION
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Attorneys for Defendant in the Litigation are:

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Fax. (559) 244-7525
Email: gbethel@littler.com
awoo@littler.com

II. <u>SUMMARY OF THE PROPOSED SETTLEMENT</u>

The settlement provides for the following:

A. Settlement Fund - Maximum: Defendant will pay the total maximum amount of Nine Hundred Thousand Dollars ($900,000) to resolve the lawsuit (in addition to employer's side payroll taxes), which is inclusive of Plaintiffs' Attorneys' Fees; Plaintiffs' Litigation Expenses; the Class Representatives' Service Payments; Settlement Administration Expenses; and PAGA Payment to the California Labor and Workforce Development Agency. Each of these components is described below.

B. Plaintiffs' Attorneys' Fees: Class Counsel anticipates requesting an attorney fee award equal to thirty-five percent (35%) of the Settlement Fund – Maximum ($315,000), subject to court approval, which shall be paid from the Settlement Fund - Maximum.

C. Plaintiffs' Litigation Expenses: Class Counsel anticipates requesting an award of no more than Thirty Thousand Dollars ($30,000), subject to court approval, as reimbursement for litigation costs, which shall be paid from the Settlement Fund - Maximum.

D. Class Representative's Service Payment: The Class Representatives anticipate requesting an award of no more than Ten Thousand Dollars ($10,000) each ($20,000 total), subject to court approval, for their roles as Class Representatives, which shall be paid from the Settlement Fund - Maximum.

E. Private Attorneys General Act (PAGA) Payment: The parties have designated Forty Thousand Dollars ($40,000) of the Settlement Fund - Maximum as representing the recovery of civil penalties pursuant to the Private Attorneys General Act of 2004. Of this amount, the law requires that 75% ($30,000) be paid to the California Labor and Workforce Development Agency (LWDA). The remaining 25% ($10,000) shall be distributed to the PAGA Group.

F. Settlement Administration Expenses: The parties have selected, and the court has approved, Phoenix Class Action Administration to administer the settlement. Upon final approval, Class Counsel will request that the court approve a payment to Phoenix Class Action Administration to cover its fees and costs associated with giving notice to the Class, administering and disbursing the Net Settlement Fund, and other activities required to administer the settlement. The payment to Phoenix Class Action Administration is anticipated to be no more than Nineteen Thousand, Seven Hundred, Fifty Dollars ($19,750), which shall be paid from the Settlement Fund - Maximum.

G. Net Settlement Fund: The Net Settlement Fund consists of all funds remaining from the Settlement Fund - Maximum after subtraction of Plaintiffs' Attorneys' Fees, Plaintiffs' Litigation Expenses, the Class Representative's Service Payment, PAGA Payment to the LWDA, and Settlement Administration Expenses. The Net Settlement Fund will be distributed to the Settlement Class as described below.

H. Class Defined: "Class" means: all non-exempt employees of Broder Bros. Co. in California at any time from April 21, 2019, through July 24, 2024.

I. PAGA Group Defined: "PAGA Group" means: all non-exempt employees of Broder Bros. Co. in California at any time from April 21, 2022, through July 24, 2024.

J. Allocation of Net Settlement Fund Among Class Members: From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class Member's Individual Settlement Payment based on the following formula: The Net Settlement Amount will be apportioned to each Settlement Class Member based on their proportionate number of workweeks worked, by multiplying the Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member's individual total workweeks, and the denominator of which is the total number of workweeks worked by all Settlement Class Members. Twenty percent (20%) of each Individual Settlement Payment shall be considered wages ("Wages Portion") and subject to reduction for the employee's share of applicable tax withholdings, which shall be reported by the Settlement Administrator on an IRS Form W-2. The Settlement Administrator shall be responsible for remitting said withholdings to the appropriate taxing authorities. Eighty percent (80%) of each Individual Settlement Payment shall be allocated as interest, penalties, and other non-wage damages ("Non-Wages Portion"), which shall be reported by the Settlement Administrator on an IRS Form 1099. Each Settlement Class Member shall be responsible for remitting to state and/or federal taxing authorities any applicable taxes which may be owed on the Non-Wages Portion of his or her Settlement Payment. The Settlement Administrator shall report all required information to the appropriate taxing authorities regarding all payments made pursuant to this Agreement. By way of example, if the Net Settlement Fund is $475,000, and there are a total of 60,000 Work Weeks between all Settlement Class Members, and Class Member "A" has 100 Work Weeks, Class Member A's portion of the Net Settlement Fund would be $791.66 [$475,000 ÷ 60,000 Work Weeks x 100 Work Weeks = $791.66]. Because each Class Member's individual recovery will depend upon the individual's workweeks during the Class Period, the individual recovery will vary from Class Member to Class Member. The Settlement Allocation Form included with this mailing contains an estimate of the amount of your individual payment. Allocation of the PAGA Payment among PAGA Group members will use the same formula.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?

Your interests as a Class Member are represented by the Class Representatives and Class Counsel. Unless you exclude yourself from the Class, you will remain part of the Class. As a member of the Class, you will receive a portion of the Net Settlement Fund. Also, you will be bound by the terms of the settlement agreement and any final judgment that may be entered by the court, and you will be deemed to have released certain claims against Defendant as described below.

A. Participating in the Settlement

If you are a member of the Class and you wish to participate in the settlement, you are not required to take any action. If the court grants final approval of the settlement, you will receive a Settlement Payment based on the calculations described above. You will also be bound by the terms of the settlement and will release Defendant from any and all claims that you may have based on the allegations in the lawsuit. However, any potential claims under the federal Fair Labor Standards Act will be deemed released only by those Class Members who cash or otherwise negotiate their settlement checks, and who will be, by doing do, deemed to have opted-in to the Settlement.

B. Objecting to the Settlement

If you do not agree with the terms of the Settlement, you can submit an objection. However, if the Court rejects your objection, you will still be a Member of the Class and will receive a settlement payment. You will also be bound by the terms of the settlement. To object, you may submit an Objection to the Settlement Administrator by <<45 days after notice mailing>>, at the following address:

<<Name, Address and Telephone Number of Settlement Administrator>>

To be considered by the Court, a written objection must: (a) set forth your full name, address, and telephone number; (b) contain the words "Notice of Objection"; (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list witness(es) you may call to testify at the Final Approval Hearing; and (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval Hearing. You may also appear at the Final Approval Hearing, either in person or through a lawyer retained at your own expense.

C. Excluding Yourself from the Settlement

If you are a member of the Class but you do not wish to participate in the settlement, you may exclude yourself by completing and returning the enclosed Request for Exclusion Form. Your Request for Exclusion Form must be signed by you personally, must be postmarked on or before <<45 days after notice mailed>>, and mailed to:

<<Name, Address and Telephone Number of Settlement Administrator>>

To be valid, the Request for Exclusion must: (a) state your name, address, telephone number, and the last four numbers of your Social Security number; (b) state your intention to Opt Out of the Settlement; (c) be signed by you or your lawful representative; and (d) be postmarked, faxed, or emailed no later than forty-five (45) calendar days after the Settlement Administrator mails the Notice to the Class.

Any person who timely submits a completed Request for Exclusion Form following the procedures above shall, upon receipt, no longer be a member of the Settlement Class, may not object to the settlement, and shall receive no payment or benefits from the settlement. Any such person, however, will not release any claims he or she may have against Defendant. However, if you are a member of the PAGA Group, you may not exclude yourself from the PAGA Group. Therefore, if you are a member of the PAGA Group and elect to exclude yourself from the Class, you will still receive a payment as a PAGA Group member.

If you exclude yourself from the Settlement, you will NOT receive any money from the Class Settlement.

D. Challenging the Record of Your Weeks Worked

The Settlement Allocation form that accompanies this notice states Defendant's record of your weeks worked within the Class Period. Any disputes regarding the number of workweeks a Class Member worked during the Class Period, or the calculation of an individual Class Member's settlement payment, will be resolved and decided by the Settlement Administrator based on Defendant's records. If you believe the workweeks stated on the Settlement Allocation Form to be inaccurate, you may state what you believe the correct number to be and provide supporting documentation. The Settlement Administrator will then decide whether your weeks worked should be revised. The Settlement Administrator's decision on all such disputes will be final and non-appealable.

You may also provide corrected name, address, telephone, and/or Social Security information on the Settlement Allocation Form.

IV. EFFECT OF THE SETTLEMENT

A. Released Rights and Claims

Upon the court's final approval of the class settlement and entry of final judgment, each class member shall be deemed to have released Defendant and the "Released Parties" from any and all "Released Claims." For the purposes of this Agreement, the Released Claims are defined as:

> Any and all claims, demands, rights, liabilities and causes of action that were asserted in the Complaints in the Actions or that could have been asserted based on the factual allegations in the Complaint in the Action, i.e., (1) failure to pay all straight time wages; (2) failure to pay all overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to adopt a compliant sick pay policy; (6) knowing and intentional failure to comply with itemized employee wage statement provisions; (7) failure to pay all wages due at the termination of employment; (8) failure to reimburse/illegal deductions; and, (9) violation of Unfair Competition Law, and for violations and penalties under PAGA for any violations enumerated above, together with any other civil penalties, waiting time penalties, or other fines, penalties, interest, or charges of any kind that were asserted in the Complaints in the Actions or that could have been asserted based on the factual allegations in the Complaints in the Actions at any time during the Class Period ("Released Claims"). The release shall run for the duration of the Class Period. "Released Parties" means Defendant, and any of its past, present, or future direct or indirect parents, subsidiaries, predecessors, successors, and affiliates, temporary staffing agencies as well as each of their past, present, and futures officers, directors, employees, partners, members, owners, shareholders, agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant. Notwithstanding the

foregoing, Fair Labor Standards Act claims will be released only as to those Class Members who negotiate their settlement checks, and will therefore be deemed to have opted-in to the Settlement.

B. Payment to Settlement Class Members

The distribution of the Settlement Fund will be paid approximately 15 days after final court approval of this Settlement, and, if objections are submitted and not withdrawn, all appeals and rights to appeal are exhausted.

V. FINAL SETTLEMENT APPROVAL HEARING

The court will hold a hearing in Department 503 of the Fresno County Superior Court, 1130 “O” Street, Fresno, California, 93721 on_______________, 2025, at _____, to determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsels’ request for Plaintiffs’ Attorneys’ Fees, Plaintiffs’ Litigation Expenses, the PAGA Payment, the Settlement Administration Expenses, and the Class Representatives’ Service Payments.

The hearing may be continued without further notice to the settlement class. It is not necessary for you to appear at this hearing.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the settlement. If you wish to review the precise terms and conditions of the settlement, you are referred to the Joint Stipulation of Settlement and Release, filed on _________, 2024, at the Office of the Clerk of the Fresno County Superior Court, 1130 “O” Street, Fresno, California, 93721. The pleadings and other records in this litigation may be examined at any time during regular business hours at the Office of the Clerk of the Fresno County Superior Court, 1130 “O” Street, Fresno, California, 93721.

If you have questions about the settlement, you may contact Class Counsel listed above, or the Settlement Administrator. The toll-free telephone number for the Settlement Administrator is:

<<Name and Telephone Number of Settlement Administrator>>

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

BY ORDER OF THE SUPERIOR COURT

Exhibit B

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF FRESNO

PINA UNG, individually, and on behalf of all other similarly situated current and former employees of Defendant, Plaintiffs, vs. BRODER BROS. CO., dba ALPHABRODER, a corporation; and DOES 1 through 100, inclusive, Defendants.	**CASE NO.: 23CECG01529** *[Assigned for all purposes to the Hon. Jeffrey Y. Hamilton, Dept. 503]* **SETTLEMENT ALLOCATION FORM**

TO: [NAME]

[ADDRESS]

[TELEPHONE NUMBER]

[LAST FOUR DIGITS OF SSN]

USE AND RETURN THIS FORM ONLY IF:

1) **You dispute the "Weeks Worked" attributed to you below; and/or**

2) **Your name, address, telephone number, or the last four digits of your Social Security Number listed above is not accurate.**

If your name, address, telephone number, and the last four digits of your Social Security Number above are accurate, and you do not dispute the weeks worked stated below, you may disregard this form. You do not need to do anything, and you will receive a check by U.S. Mail.

If your name, address, telephone number, or the last four digits of your Social Security Number stated above is inaccurate, please provide the correct information below, and return this form to the Settlement Administrator.

PLEASE PRINT CLEARLY

I. PERSONAL INFORMATION

Name: ____

Street Address: ____

City, State, Zip Code: ____

Mobile Telephone No.: (_______)________________________________

Home Telephone No.: (_______)________________________________

Last four digits of Social Security Number: ___ ___ ___ ___

For purposes of verification only, I began working at Broder Bros. Co. in approximately:

(month) _________________, (year)

II. SETTLEMENT PAYMENT BASED ON WEEKS WORKED

Your estimated minimum settlement amount is: $ [insert amount]. This amount is only an estimate, and is subject to change during the final approval process.

Your weeks worked according to Broder Bros. Co.'s Records:

Your recovery will be based on the number of weeks you worked at Broder Bros. Co. from April 21, 2019, to July 24, 2024. **According to personnel records maintained by Broder Bros. Co., you worked _____ weeks ("Your Weeks Worked") during that time period.**

If you do not dispute the weeks worked listed on this form, you do not need to do anything. You will receive a check by U.S. Mail.

If you do not agree with the number of weeks worked, you may dispute the number above by providing information and documentation to the Settlement Administrator. Your Weeks Worked are presumed to be correct unless you submit **documentation**, such as paycheck stubs, for example, that proves otherwise. **If you dispute Your Weeks Worked**, in the space below, provide the position(s) in which you worked, and the dates that you worked during the Class Period. Include copies of any documents, such as paycheck stubs, that support your position.

Position: Dates:

____

____

____

<u>If you dispute your Weeks Worked</u>, you must return this form to the Settlement Administrator, at the following address, by US Mail, post-marked on or before __________.

[INSERT ADDRESS]

<u>If you agree with your Weeks Worked and your address information stated on this form is correct</u>, **<u>you need do nothing</u>**. You will receive a check in the mail.

Exhibit C

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF FRESNO

PINA UNG, individually, and on behalf of all other similarly situated current and former employees of Defendant, Plaintiffs, vs. BRODER BROS. CO., dba ALPHABRODER, a corporation; and DOES 1 through 100, inclusive, Defendants.	**CASE NO.: 23CECG01529** *[Assigned for all purposes to the Hon. Jeffrey Y. Hamilton, Dept. 503]* **REQUEST FOR EXCLUSION FORM**

TO: [NAME]

[ADDRESS]

[TELEPHONE NUMBER]

[LAST FOUR DIGETS OF SSN]

USE AND RETURN THIS FORM ONLY IF YOU WISH TO BE EXCLUDED FROM THE CLASS AND DO NOT WISH TO RECEIVE A SETTLEMENT PAYMENT.

If you wish to remain in the class and receive a settlement payment, you may disregard this form. You do not need to do anything, and you will receive a check by U.S. Mail.

If you exclude yourself from the class by signing and returning this form, you will not receive a settlement payment, and you will not release any claims you may have against Broder Bros. Co. Should you desire to pursue your claims (if any) against Broder Bros. Co. on your own, you will be solely responsible for doing so, and will be responsible for your own attorneys' fees and costs involved in pursuing your claims. If you wish to exclude yourself from the class and do not wish to receive a settlement payment, please so indicate by signing and dating below and returning this form to the Settlement Administrator at the address below by _____________. If the Request for Exclusion Form is not postmarked by that date, you will remain a member of the class, and will be bound by the settlement agreement.

[INSERT SETTLEMENT ADMINISTRATOR NAME AND ADDRESS]

I HEREBY VERIFY THAT MY NAME, ADDRESS, TELEPHONE NUMBER, AND THE LAST FOUR DIGITS OF MY SOCIAL SECURITY NUMBER ARE ACCURATELY SET FORTH ABOVE.

I HEREBY CONFIRM THAT I WISH TO BE EXCLUDED FROM THE CLASS. I UNDERSTAND THAT I WILL NOT RECEIVE A SETTLEMENT PAYMENT, AND THAT IF I WISH TO PURSUE ANY CLAIMS I MAY HAVE AGAINST FS HOTELS LA, INC., I WILL BE RESPONSBLE FOR DOING SO ON MY OWN, AT MY OWN EXPENSE. I UNDERSTAND THAT ANY CLAIMS I MAY HAVE AGAINST FS HOTELS LA, INC. ARE SUBJECT TO STRICT TIME LIMITS, KNOWN AS STATUTES OF LIMITATIONS, WHICH RESTRICT THE TIME WITHIN WHICH I MAY FILE A LAWSUIT. I UNDERSTAND THAT I SHOULD CONSULT WITH AN ATTORNEY IF I WISH TO OBTAIN LEGAL ADVICE REGARDING MY RIGHTS WITH RESPECT TO THIS SETTLEMENT OR MY CHOICE TO BE EXCLUDED. I HAVE NOT BEEN COERCED BY ANYONE TO EXCLUDE MYSELF FROM THIS SETTLEMENT, AND I CHOOSE TO BE EXCLUDED OF MY OWN FREE WILL.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING IS TRUE AND CORRECT.

Dated:________ ____________________________

[INSERT NAME]

If you wish to remain in the Settlement Class and receive a settlement payment, PLEASE DISREGARD THIS FORM. You need do nothing. You will receive a check in the mail.