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18 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
19 **FOR THE COUNTY OF LOS ANGELES**

20 **Mercedes Castro**, individually and on behalf of all  
21 similarly situated individuals,

22 Plaintiff,

23 vs.

24 **Reseda Discount Corporation**, a California non-  
25 profit corporation; and **Does 1-10**, inclusive;

26 Defendants.

CASE NO. 22STCV36812

[Assigned to Honorable Lawrence Riff,  
Department 7]

**CLASS ACTION**

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

Complaint Filed: November 21, 2022  
Trial Date: None Set

1 This Joint Stipulation of Settlement and Release of Class Action (“Agreement” or “Settlement  
2 Agreement”) is made and entered into by and between Plaintiff Mercedes Castro (“Plaintiff” or “Class  
3 Representative”), as an individual and on behalf of all others similarly situated, and Defendants Reseda  
4 Discount Corporation and RDC Collective Corp. (“Defendants”). Plaintiff and Defendants may be  
5 referred to herein as the “Parties,” singularly as a “Party,” or by their designated names.

6 This Agreement is subject to the approval of the Court, pursuant to California Rules of Court,  
7 Rule 3.769(c), (d), and (e), and is made for the sole purpose of attempting to consummate settlement  
8 of the Action on a class-wide basis subject to the following terms and conditions.

9 This Settlement Agreement shall be binding on Plaintiff, the Settlement Class, and the  
10 Aggrieved Employees, on the one hand, and Defendants, on the other hand, subject to the terms and  
11 conditions herein and the approval of the Court.

#### 12 RECITALS

13 1. Plaintiff filed her complaint on November 21, 2022 against Defendants in the Los Angeles  
14 County Superior Court. Plaintiff’s lawsuit, entitled *Mercedes Castro v. Reseda Discount Corporation*, Case  
15 Number No. 22STCV36812 (“Action”), sets forth the following class-wide causes of action: (1) failure to  
16 pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium  
17 pay in lieu thereof; (4) failure to reimburse necessary business expenses; (5) failure to provide and  
18 maintain complete and accurate records; (6) failure to timely pay wages during employment; (7) failure  
19 to timely pay wages after employment; (8) civil penalties under the Labor Code Private Attorneys  
20 General Act of 2004, Cal. Lab. Code §§ 2698, *et seq.* (“PAGA”); and (9) Unlawful Business Practices, Cal.  
21 Bus. & Prof. Code §§ 17200, *et seq.* To effectuate the release intended by the Parties, Plaintiff will file  
22 an amended complaint and submit an amended PAGA letter identifying RDC Collective Corp. as an  
23 additional Defendant.

24 2. Defendants deny all material allegations set forth in the Action and have asserted  
25 numerous affirmative and other defenses in response to all claims, including the Class, PAGA, and  
26 individual claims alleged in the Action.

27 3. Notwithstanding the foregoing and in the interest of avoiding further litigation, the  
28 Parties desire to fully and finally settle all actual or potential class, individual, and PAGA claims as

pleaded in the operative Complaint or that could have been pleaded in the operative Complaint and this Action.

4. This Settlement Agreement is made and entered into by and between Plaintiff individually, as a proxy for the State of California, and on behalf of all other allegedly similarly situated and Aggrieved Employees and Settlement Class Members on the one hand, and Defendants on the other hand. This Settlement Agreement is subject to the terms and conditions herein, as well as the Court's approval. The Parties expressly acknowledge that this Agreement is entered into solely for the purpose of compromising disputed claims, and that nothing herein is an admission of any liability or wrongdoing by Defendants. The monies being paid as part of this settlement are genuinely disputed, and the Parties agree that the provisions of Labor Code section 206.5 are not applicable to this Settlement Agreement.

5. The Parties agree to abide by the terms of the Settlement Agreement in good faith, to support the Settlement Agreement fully, and to use their best efforts to defend this Settlement Agreement from any legal challenge, whether by appeal or collateral attack.

6. On June 8, 2023, the Parties participated in a full-day mediation before David L. Perrault of Judicate West (the "Mediator"), a well-respected mediator in the field of employment law and wage-and-hour class and PAGA actions. At the mediation, the Parties agreed to the principal terms of a class action and PAGA settlement and entered into a Memorandum of Agreement ("MOA") setting forth those terms.

7. The settlement discussions before, during, and after mediation were conducted at arm's length, and the settlement of the Action is the result of an informed and detailed analysis of Plaintiff's claims and Defendants' potential liability in relation to the costs and risks associated with continued litigation.

#### **DEFINITIONS**

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

1. "**Action**" means *Mercedes Castro v. Reseda Discount Corporation*, Los Angeles County Superior Court Case Number No. 22STCV36812.

2. **“Aggrieved Employee(s)”** means those Class Members who worked during the PAGA Release Period and are entitled to an Individual PAGA Payment under the terms of this Settlement.

3. **“Class Counsel’s Fees and Costs”** means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of this Action. Class Counsel’s Fees and Costs shall include all costs incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, securing the Court’s approval of the Settlement, responding to any objections to the settlement and appeals arising therefrom, administering the Settlement, and obtaining entry of a Judgment terminating this Action, and expenses for any experts. Class Counsel will request attorneys’ fees not in excess of one-third of the Maximum Settlement Amount, or up to Forty-Six Thousand Six-Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$46,666.67). The Class Counsel’s Fees and Costs will also mean and include the additional reimbursement of Class Counsel’s actual reasonable costs incurred in connection with Class Counsel’s litigation and settlement of the Action, up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00), subject to the Court’s approval. Defendants agree not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.

4. **“Settlement Administrator”** means a third-party class action settlement claims administrator selected by Class Counsel and approved by the Court for purposes of administering this Settlement. Class Counsel represents that they will not select a Settlement Administrator in which either Party has any financial interest or other relationship that could create a conflict of interest. Defendants and Defendants’ Counsel shall not be parties to any agreement or contract entered into with the Settlement Administrator. None of the Parties or their legal counsel will be responsible for any errors or omissions in the Settlement Administrator’s work product or calculations.

5. **“Settlement Administration Costs”** means the costs payable from the Maximum Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Class Member, tax reporting, distributing the appropriate settlement amounts, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Settlement Administration Costs will be

1 paid from the Maximum Settlement Amount and shall not exceed \$15,000.

2 6. **“Class Counsel”** means Elliot J. Siegel and Julian Burns King of King & Siegel LLP.

3 7. **“Class List”** means a complete list of all Class Members that Defendants will diligently  
4 and in good faith compile from their records and provide to the Settlement Administrator within  
5 twenty-one (21) calendar days after Preliminary Approval of this Settlement. The Class List will be  
6 formatted in a readable Microsoft Office Excel spreadsheet and will include, to the extent in the  
7 possession of Defendants or their agents, each Class Member’s name; last-known home or mailing  
8 address; last-known telephone numbers; last-known email address; Social Security number or, as  
9 applicable, other Taxpayer Identification Number; start and end date of employment; and number of  
10 weeks in which the Class Member recorded performing work as a non-exempt employee of Defendants  
11 in the State of California during the Class Period.

12 8. **“Class Member(s)”** or **“Settlement Class”** or the **“Class”** means *“all persons who worked*  
13 *at least one shift as a non-exempt employee in the State of California for either Reseda Discount*  
14 *Corporation or RDC Collective Corp, under CA Department of Cannabis Control license # CDPH-*  
15 *10003587 or CDPH-T00000842, from November 21, 2018 through July 31, 2023.”* Defendants have  
16 estimated that, during the period from November 21, 2018 to June 8, 2023 (the “Data Period”), there  
17 were approximately 47 Class Members recorded as performing work as non-exempt employees of  
18 Defendants under license # CDPH-10003587 or CDPH-T00000842 in the State of California. This  
19 representation are material terms for Plaintiff entering into this Stipulation.

20 9. **“Class Period”** means the period from November 21, 2018 to July 31, 2023.

21 10. **“Class Representative”** means Plaintiff Mercedes Castro, who will seek to be appointed  
22 as the representative for the Settlement Class.

23 11. **“Class Representative Enhancement Payment”** means the amounts to be paid to  
24 Plaintiff in recognition of her efforts and work in prosecuting the Action on behalf of Class Members  
25 and negotiating the Settlement. Defendants agree not to dispute that the Class Representative will be  
26 paid, subject to Court approval, up to Twelve Thousand Dollars and Zero Cents (\$12,000.00) from the  
27 Maximum Settlement Amount for his services on behalf of the class, subject to the Court granting Final  
28 Approval of this Settlement Agreement and subject to the exhaustion of any and all appeals. Should

the Court reduce the Class Representative Enhancement Payment, any such reduction shall revert to the Net Settlement distributed to Participating Class Members.

12. **"Court"** means the Superior Court of California, County of Los Angeles.

13. **"Defendants"** means shall include the Defendants named by Plaintiff in her First Amended Complaint in this Action, including Reseda Discount Corporation and RDC Collective Corp.

14. **"Effective Date"** means the date on which the settlement embodied in this Settlement Agreement shall become effective, and is the date after all of the following events have occurred: (i) this Settlement Agreement has been executed by Plaintiff and Defendants; (ii) the Court has given Preliminary Approval to the Settlement, including approving a provisional Settlement Class; (iii) notice has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of the Settlement or to opt-out of the Settlement; and (iv) *either* (1) the Court has held a formal fairness hearing and, having heard no objections to the Settlement, has given Final Approval to the Settlement, including entering a final order and judgment certifying the Class and approving this Settlement Agreement; or (2) in the event there are oral or written objections filed prior to or at the formal fairness hearing which are not later withdrawn or denied, the later of the following events: (a) five (5) business days after the period for filing any appeal, writ, or other appellate proceeding opposing the Court's Final Approval of the Settlement have elapsed without any appeal, writ, or other appellate proceeding having been filed; or (b) five (5) business days have elapsed following the final and conclusive dismissal or resolution of any appeal, writ, or other appellate proceeding opposing the Settlement, with no right to pursue further appellate remedies or relief.

15. **"Individual Settlement Payment"** means each Participating Class Member's share of the Net Settlement Amount, to be distributed to the Class Members who do not submit a valid Request for Exclusion, to be paid without the need to submit a claim.

16. **"Individual PAGA Payment"** means any Aggrieved Employee's pro rata share of 25% of the Labor and Workforce Development Agency Payment allocated to the Aggrieved Employees calculated according to the number of Workweeks worked during the PAGA Release Period.

17. **"Labor and Workforce Development Agency Payment"** means the amount that the Parties have agreed that Defendants will pay in connection with Plaintiff's Labor Code Private

Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.* (“PAGA”)) cause of action. The Parties have agreed that Fifteen Thousand Dollars and Zero Cents (\$15,000.00) of the Maximum Settlement Amount will be allocated to the resolution of the Aggrieved Employees’ claims arising under PAGA (“PAGA Settlement Amount”). Pursuant to PAGA, Seventy-Five Percent (75%), or Eleven Thousand Two-Hundred Fifty Dollars and Zero Cents (\$11,250.00), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency (“LWDA”), and Twenty-Five Percent (25%), or Three Thousand Seven-Hundred Fifty Dollars and Zero Cents (\$3,750.00), of the PAGA Settlement Amount will be paid to the Class Members, as allegedly Aggrieved Employees, as part of the Net Settlement Amount.

18. **“Maximum Settlement Amount”** means the maximum settlement amount of One-Hundred Forty Thousand Dollars and Zero Cents (\$140,000.00) to be paid by Defendants in full satisfaction of all claims arising from the Action. The Maximum Settlement Amount shall include all Individual Settlement Payments to Participating Class Members, the Class Representative Enhancement Payment, Settlement Administration Costs to the Settlement Administrator, the Labor and Workforce Development Agency Payment, and the Class Counsel’s Fees and Costs. Defendants agree that they are responsible for employer-side payroll taxes, which are not included in the Maximum Settlement Amount and are to be paid in addition to the Maximum Settlement Amount. The Maximum Settlement Amount is non-reversionary.

19. **“Net Settlement Amount”** means the portion of the Maximum Settlement Amount remaining after deduction of the approved Class Representative Enhancement Payments, Settlement Administration Costs, Labor and Workforce Development Agency Payment, and Class Counsel’s Fees and Costs. The Net Settlement Amount will be distributed to Participating Class Members.

20. **“Notice of Objection”** means a Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector’s full name, signature, address, telephone number, and the last four digits of the objector’s Social Security number (or other Taxpayer Identification Number, if applicable), (b) the dates the objector was employed by Defendants in California, (c) a written statement of all grounds for the objection accompanied by any legal support for such objection, and (d) copies of any papers, briefs, or other

documents upon which the objection is based.

21. **“Notice Packet”** or **“Notice”** means the Notice of Class Action Settlement, including the Exclusion, Objection, and Share Forms, substantially in the form attached as **Exhibit A**.

22. **“PAGA Release Period”** shall run from November 21, 2021 to July 31, 2023.

23. **“Parties”** means Plaintiff and Defendants, collectively.

24. **“Participating Class Members”** means all Class Members who do not submit valid and timely Requests for Exclusion.

25. **“Plaintiff”** means Mercedes Castro.

26. **“Preliminary Approval”** means the Court order granting preliminary approval of the settlement set forth in this Settlement Agreement; the order shall be substantially in the form attached as **Exhibit B**.

27. **“Final Approval”** means the Court order granting final approval of this Settlement Agreement; the order shall be substantially in the form attached as **Exhibit C**.

28. **“Released Claims”** means all claims and causes of action alleged in the First Amended Complaint or which reasonably could have been alleged based on the factual allegations and legal theories contained in the First Amended Complaint and/or LWDA letter(s). It is the intent of the Parties that the judgment entered by the Court upon Final Approval of the Settlement shall have *res judicata* and/or collateral estoppel effect and be final and binding upon Plaintiff and all Participating Class Members regarding all of the Released Claims.

29. **“First Amended Complaint”** means the amended complaint that Plaintiff agrees to file in this matter that will include RDC Collective Corp. as a named Defendant.

30. **“Amended LWDA Letter”** means the amended notice of PAGA claims that Plaintiff agrees to file with the LWDA and with the Court as an attachment to Plaintiff’s First Amended Complaint.

31. **“Released PAGA Claims”** means the claims being released for PAGA penalties that were alleged, or reasonably could have been alleged, based on the Operative Complaint and the PAGA Notice(s) during the PAGA Release Period. This Release binds the State of California, including the LWDA, and Plaintiff.

32. **“Release Period”** means the period from November 21, 2018 to July 31, 2023.

33. **“Released Parties”** shall include the Defendants named by Plaintiff in her First Amended Complaint in this Action, including Reseda Discount Corporation and RDC Collective Corp., and their parents, subsidiaries, affiliates, shareholders, members, predecessors, successors, officers, directors, insurers, related entities and divisions, attorneys, and employees. It is the intent of the Parties that if the Court orders a narrowing of the definition of the Released Parties that the Settlement still be effectuated as long as all named Defendants are still covered by the Release. However, any such change must occur through written stipulation by the Parties.

34. **“Request for Exclusion”** means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (a) be signed by the Class Member; (b) contain the name, address, telephone number, and the last four digits of the Social Security number (or other Taxpayer Identification Number, if applicable) of the Class Member requesting exclusion; (c) clearly state that the Class Member received the Notice, does not wish to participate in the Settlement, and wants to be excluded from the Settlement; (d) be returned by first class mail or equivalent to the Settlement Administrator at the specified address; and (e) be postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement will be deemed a Participating Class Member and will be bound by all terms of the Settlement, if the Settlement is granted Final Approval by the Court.

35. **“Response Deadline”** means the deadline by which Class Members must postmark to the Settlement Administrator valid Share Forms, Requests for Exclusion, or file and serve objections to the Settlement. The Response Deadline will be thirty (30) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the 30th day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Objections or Requests for Exclusion will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by the Settlement Administrator, unless the 15th day falls on a Sunday or federal holiday, in which case the Response

Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendants. Under no circumstances, however, will the Settlement Administrator have the authority to extend the deadline for Class Members to submit a Request for Exclusion, or objection to the Settlement, other than as provided herein.

36. **“Settlement”** means the agreement to resolve the Action on terms and conditions as set forth in this Settlement Agreement.

37. **“Workweeks”** means the number of weeks in which a Class Member recorded performing work as a non-exempt employee of Defendants in the State of California during the Class Period. Workweeks will be determined based on such data as is electronically available in Defendants’ existing timekeeping and payroll data.

#### **CLASS CERTIFICATION FOR SETTLEMENT PURPOSES**

38. The Parties agree that the requisites for establishing a settlement class are satisfied and that, solely for purposes of settling the Action, class certification is appropriate. If the Settlement is not approved by the Court, Defendants retain all rights and opportunities to contest class certification on all issues in the Action.

#### **TERMS OF AGREEMENT**

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

39. Funding of the Maximum Settlement Amount. Within ten (10) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendants pursuant to the terms of the Settlement. Within twenty-one(21) calendar days of the Effective Date, Defendants will pay the entire Maximum Settlement Amount *plus* all required employer-side payroll taxes to the Settlement Administrator. Payment will be deposited into a Qualified Settlement Account to be established by the Settlement Administrator.

Within ten (10) calendar days of the funding of the Maximum Settlement Amount, the Settlement Administrator will issue payments to: (a) the Settlement Administrator; (b) the Labor and Workforce Development Agency; (c) Class Representative; (d) Class Counsel; (e) Participating Class

1 Members; and (f) Aggrieved Employees.

2 40. Class Counsel's Fees and Costs. Defendants agree not to oppose or impede any  
3 application or motion by Class Counsel for Class Counsel's Fees and Costs of up to one-third of the  
4 Maximum Settlement Amount, or \$46,666.67, plus the reimbursement of actual reasonable costs and  
5 expenses incurred in connection with Class Counsel's litigation and settlement of the Action, up to  
6 Fifteen Thousand Dollars and Zero Cents (\$15,000), both of which will be paid from the Maximum  
7 Settlement Amount. Even in the event the Court reduces or does not approve the requested amount  
8 for Class Counsel's Fees and Costs, Plaintiff and Plaintiff's Counsel shall not have the right to revoke  
9 this Agreement or the Settlement.

10 41. Class Representative Enhancement Payment. In exchange for a general release of the  
11 Released Parties, and in recognition of his efforts and work in prosecuting the Action on behalf of Class  
12 Members and negotiating the Settlement, Defendants agree not to oppose or impede any application  
13 or motion for a Class Representative Enhancement Payment of up to a total of Twelve Thousand  
14 Dollars and Zero Cents (\$12,000.00) to the Class Representative, subject to the Court's approval. The  
15 Class Representative Enhancement Payment, which will be paid from the Maximum Settlement  
16 Amount, is in addition to the payments to which he is entitled as a Settlement Class Member and  
17 Aggrieved Employee. The Class Representative agrees to execute a general release of all claims,  
18 including a waiver of California Civil Code § 1542, against the Released Parties in exchange for his  
19 Enhancement Payment, which this Stipulation includes. The Settlement Administrator will issue an IRS  
20 Form 1099 for the Enhancement Payment to the Class Representative, and the Class Representative  
21 shall be solely and legally responsible for correctly characterizing this compensation for tax purposes  
22 and for paying any taxes on the amount received. Should the Court reduce the Class Representative  
23 Enhancement Payment, any such reduction shall revert to the Net Settlement distributed to  
24 Participating Class Members. Even in the event the Court reduces or does not approve the requested  
25 amount for the Class Representative Enhancement Payment, Plaintiff and Plaintiff's Counsel shall not  
26 have the right to revoke this Agreement or the Settlement.

27 42. Settlement Administration Costs. The Settlement Administrator will be paid for the  
28 reasonable costs of administration of the Settlement and distribution of payments from the Maximum

Settlement Amount, which is capped at no more than \$15,000.00. These costs, which will be paid from the Maximum Settlement Amount, will include, for instance, costs incurred for the required tax reporting on the Individual Settlement Payments, the issuing of W-2 and 1099 IRS Forms, distributing the Notice Packet, calculating Class Members' workweeks, calculating and distributing the Maximum Settlement Amount and Class Counsel's Fees and Costs, and providing necessary reports and declarations.

43. Labor and Workforce Development Agency Payment. Subject to Court approval, the Parties agree that the amount of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) of the Maximum Settlement Amount will be designated for satisfaction of Plaintiff's and Class Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or Eleven Thousand Two-Hundred Fifty Dollars and Zero Cents (\$11,250.00), will be paid to the LWDA, and Twenty-Five Percent (25%), or Three Thousand Seven-Hundred Fifty Dollars and Zero Cents (\$3,750.00), will be distributed to the Aggrieved Employees as part of the Net Settlement Amount. Class Counsel agrees to provide notice of this Settlement to the LWDA as required by Labor Code section 2699(l)(2).

44. Net Settlement Amount. "Net Settlement Amount" shall mean the Maximum Settlement Amount *minus* Settlement Administration Costs, Class Counsel's Fees and Costs, the Class Representative Enhancement Payment, and the portion of the Labor and Workforce Development Agency Payment that will be paid to the LWDA.

45. Settlement Administration Cost Decreases. Any portion of the estimated or designated Settlement Administration Costs which are not required to fulfill the total Settlement Administration Costs will become part of the Net Settlement Amount.

46. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on each Participating Class Member's "Workweeks" (as defined above). Specific calculations of Individual Settlement Payments will be made as follows:

- a. The Settlement Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendants' possession,

1 custody, or control.<sup>1</sup> Class Members' Individual Workweeks shall be calculated to the nearest  
2 hundredth of a full workweek.

3 b. The Settlement Administrator will calculate the total Workweeks for all  
4 Settlement Class Members by adding the number of Workweeks worked by each Settlement  
5 Class Member during the Class Period.

6 c. The respective Workweeks for each Settlement Class Member will be divided by  
7 the total Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each  
8 Settlement Class Member.

9 d. Each Settlement Class Member's Payment Ratio will then be multiplied by the  
10 Net Settlement Amount to calculate each Settlement Class Member's estimated Individual  
11 Settlement Payments.

12 e. The Parties agree that the minimum payment to any given Class Member shall  
13 be no less than \$25 regardless of their weeks worked.

14 f. Using the Class Data, the Settlement Administrator will use the total number of  
15 Workweeks during the PAGA Release Period as the total number of "PAGA Pay Periods." The  
16 Settlement Administrator will use the number of Workweeks for each Settlement Class  
17 Member during the PAGA Release Period as each individual's PAGA Pay Periods. The  
18 Settlement Administrator will divide each Aggrieved Employee's PAGA Pay Periods by the  
19 aggregate number of PAGA Pay Periods of all Aggrieved Employees during the PAGA Release  
20 Period to determine each Aggrieved Employee's pro rata portion of the portion of the PAGA  
21 payment allocated to Aggrieved Employees. A Class Member's pay periods shall be calculated  
22 to the nearest hundredth of a full pay period.

23 47. Limited Confidentiality. The Parties agree not to issue press releases, communicate  
24 with, or respond to, any media or publication entities, or otherwise publish any information,  
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26 <sup>1</sup> Defendants' Workweek data will be presumed to be correct unless a particular Class Member  
27 proves otherwise to the Settlement Administrator by credible written evidence. All Workweek  
28 disputes will be resolved and decided by the Settlement Administrator in consultation with Class  
Counsel and counsel for Defendants. The Settlement Administrator's decision on all Workweek  
disputes will be final and non-appealable.

concerning the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement prior to final approval and Entry of Judgment, except as required by law or as shall be contractually required to effectuate the terms of the Settlement as set forth herein. Nothing stated herein shall prohibit Class Counsel from discussing the Settlement, the fact of Settlement, and its terms and conditions: (i) with Class Members and/or (ii) in court filings, including in their respective firm resumes, and/or (iii) in all necessary motions and supporting memoranda related to preliminary and final approval of the Settlement, or for other class action settlements. This provision also does not limit Class Counsel (i) from complying with ethical obligations; or (ii) from posting a neutral description of publicly available facts regarding the Settlement, provided that such posting does not expressly identify Defendants by name.

48. Class Member Communications. Defendants will instruct Reseda Discount Corporation and RDC Collective Corp's officers, directors, and exempt managers that, should they be contacted by Class Members or persons who believe they may be Class Members in relation to this Agreement, such officers, directors, and exempt managers should make no comment except by directing the employees to Defendants' administrators, who will be instructed to direct such Class Members to (a) the Settlement Administrator and the Class Notice or (b) Class Counsel, and to provide such Class Members with contact information for the Settlement Administrator and Class Counsel. Defendants agree not to discourage or prevent Class Members from exercising any of their rights or obligations pursuant to this Agreement. At no time will any of the Parties or their counsel take any action to encourage, support, require, or induce Class Members to object to the Settlement Agreement, opt-out from the Settlement, appeal from the Order and Judgment, or otherwise engage in a particular course of action with respect to their rights under the Settlement.

49. Settlement Awards Do Not Trigger Additional Benefits. All Individual Settlement Payments to Participating Class Members shall be deemed to be paid to such Participating Class Members solely in the year in which such payments are received by the Participating Class Members. It is expressly understood and agreed that the receipt of such Individual Settlement Payments will not entitle any Participating Class Member to additional compensation or benefits under any company bonus, commission, or other compensation or benefit plan or agreement in place during the period

covered by the Settlement, nor will it entitle any Participating Class Member to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of the Parties to this Settlement that the Individual Settlement Payments provided for in this Settlement are the sole payments to be made by Defendants to the Participating Class Members, and that the Participating Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

50. Settlement Administration Process. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

51. Delivery of the Class List. Within 21 calendar days of Preliminary Approval, Defendants will provide the Class List to the Settlement Administrator. To protect Class Members' privacy rights, the Settlement Administrator must maintain the Class List data in confidence, use the Class List data only for purposes of this Settlement and for no other purpose, and restrict access to the Class List data to Settlement Administrator employees who need access to the Class List data to effect and perform under this Agreement.

52. Notice by First-Class U.S. Mail. Within seven (7) calendar days following receipt of the Class List, the Settlement Administrator will mail a Notice Packet, substantially in the form attached hereto as **Exhibit A**, to all Class Members via regular First-Class U.S. Mail, using the most current or last known mailing addresses identified in the Class List. Each Notice Packet will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class definition; (d) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (e) the dates which comprise the Class Period; (f) instructions on how to submit valid Requests for Exclusion or objections; (g) the deadlines by which the Class Member must fax or postmark Requests for Exclusions or file and serve objections to the Settlement; (h) the claims to be released, as set forth herein; and (i) the date for the Final Approval Hearing.

53. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address, and/or Social Security number (or other Taxpayer Identification Number, if applicable) of the Class Member involved and will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have between the later of: (a) an additional fifteen (15) calendar days; or (b) the Response Deadline to fax or postmark a Request for Exclusion, or file and serve an objection to the Settlement.

54. Disputed Information on Notice Packets. Class Members will have an opportunity to dispute the information provided in their Notice Packets. To the extent Class Members dispute the number of weeks he/she worked during the Class Period, or the amount of their Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Any disputes, along with supporting documentation, must be postmarked on or before the Response Deadline. Absent evidence rebutting Defendants' records, Defendants' records will be presumed determinative. However, if a Class Member produces evidence to the contrary, the Settlement Administrator will evaluate the evidence submitted by the Class Member in consultation with Class Counsel and Counsel for Defendants and will make the final decision as to the Individual Settlement Payment to which the Class Member may be entitled with input from Class Counsel and Defense Counsel. This determination shall be binding on the Class Member.

55. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the Settlement Agreement must sign and postmark a written Request for Exclusion to the Settlement Administrator within the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.

1 All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to  
2 Class Counsel and Defendants' Counsel the Requests for Exclusion that were timely submitted. Any  
3 Class Member who submits a Request for Exclusion shall be prohibited from objecting to the  
4 Settlement Agreement.

5 56. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member who  
6 does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request  
7 for Exclusion will be bound by all of the terms of the Settlement Agreement, including those pertaining  
8 to the Released Claims, as well as any Judgment that may be entered by the Court if it grants Final  
9 Approval to the Settlement. The release of the Released PAGA Claims shall be binding irrespective of  
10 whether any Class Members opt-out of the Settlement Agreement.

11 57. Objection Procedures. To object to the Settlement Agreement, a Class Member must  
12 file a valid Notice of Objection with the Settlement Administrator on or before the Response Deadline.  
13 The Settlement Administrator shall serve all objections as received on Class Counsel and Defendants'  
14 Counsel. The Notice of Objection shall be signed by the Class Member and contain all information  
15 required by this Settlement Agreement. The postmark date of the filing and service will be deemed  
16 the exclusive means for determining that the Notice of Objection is timely. Class Members may also  
17 raise objections orally at the Final Fairness and Approval hearing, whether or not they previously  
18 submitted a valid Notice of Objection. It shall not be a breach of this Agreement for Class Counsel to  
19 file the Objections with the Court per the Court's instruction, local rules, or as otherwise required for  
20 approval of this Settlement Agreement.

21 58. Certification Reports Regarding Individual Settlement Payment Calculations. The  
22 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report which  
23 certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion or  
24 Objections; and (b) whether any Class Member has submitted a challenge to any information  
25 contained in their Claim Form or Notice Packet. Additionally, the Settlement Administrator will provide  
26 counsel for both Parties any updated reports regarding the administration of the Settlement  
27 Agreement as needed or requested. No later than 30 days prior to the deadline for Class Counsel to  
28 file its motion in support of the Final Approval and Fairness Hearing, the Settlement Administrator will

1 compile and deliver to Class Counsel and Defense Counsel a declaration with summary information of  
2 the Notice process, including but not limited to: (a) the total amount of final Individual Settlement  
3 Payments of each Settlement Class Member; (b) the number of Settlement Class Members to receive  
4 such payments; (c) the final number of requests for exclusion/Opt-Outs and objections, including  
5 authentication all such requests and the names of the Class Members who submitted them; (d) the  
6 Settlement Administrator's qualifications for administration; and (e) an explanation of the steps taken  
7 to implement the Notice process as set forth in this Agreement.

8       59.   Uncashed Settlement Checks. Any checks issued by the Settlement Administrator to  
9 Participating Class Members will be negotiable for 120 calendar days from the date the check was  
10 issued (the "Void Date"). For any Class Member whose Individual Class Payment check and/or  
11 Individual PAGA Payment check is uncashed and cancelled after the Void Date, the Administrator shall  
12 transmit the funds represented by such checks to a Court-approved non-profit organization or  
13 foundation consistent with Code of Civil Procedure Section 384(b) ("Cy Pres Recipient"). The Cy Pres  
14 Recipient shall be the California Bar's Justice Gap Fund. The Parties represent that they have no  
15 interest or relationship, financial or otherwise, with the intended Cy Pres Recipient. If any Aggrieved  
16 Employees cannot be found, or if the checks sent to Aggrieved Employees as their share of the PAGA  
17 penalties are not cashed, and the collective amount of those checks do not justify the expense of a  
18 second distribution to Aggrieved Employees who did cash their checks, the unclaimed funds shall be  
19 distributed to the Labor and Workforce Development Agency rather than to the intended Cy Pres  
20 Recipient.

21       60.   Certification of Completion. Upon completion of administration of the Settlement, the  
22 Settlement Administrator will provide a written declaration under oath to certify such completion to  
23 the Court and counsel for all Parties.

24       61.   Treatment of Individual Settlement Payments. All Individual Settlement Payments will  
25 be allocated as follows: of each Individual Settlement Payment, 33% will be allocated as alleged unpaid  
26 wages, 33% will be allocated as alleged unpaid civil penalties, and 34% will be allocated as alleged  
27 unpaid interest, and expense reimbursement. The percentage of each Individual Settlement Payment  
28 allocated as wages will be reported on an IRS Form W-2 by the Settlement Administrator. The

1 remaining percentage of each Individual Settlement Payment shall be allocated as interest, penalties,  
2 and reimbursement, and will be reported on an IRS Form-1099 by the Settlement Administrator.

3 62. Administration of Taxes by the Settlement Administrator. The Settlement Administrator  
4 will be responsible for issuing to Plaintiff, Participating Class Members, and Class Counsel any W-2,  
5 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Agreement.  
6 Within ten (10) business days after the Effective Date, the Settlement Administrator will provide the  
7 Parties with an accounting of the amounts to be paid by Defendants pursuant to the terms of the  
8 Settlement, including the amount of the employer contribution for payroll taxes to be paid by  
9 Defendants.

10 63. Tax Liability. The Parties acknowledge that no tax advice has been offered or given by  
11 any other Party, their attorneys, agents, or any other representatives, in the course of these  
12 negotiations, and that each Party is relying upon the advice of his/its own tax consultant with regard  
13 to any tax consequences that may arise as a result of the execution of this Agreement. The Class  
14 Representatives and Class Counsel acknowledge that they may be required to submit a Form W-9, and  
15 the Class Representatives, Class Members, and Class Counsel acknowledge that the Settlement  
16 Administrator may be required to issue a Form 1099 or other tax form reporting the consideration  
17 flowing to the Class Representatives, Class Members, and Class Counsel under this agreement to the  
18 Internal Revenue Services and/or other taxing authority. Nothing herein shall obligate the Class  
19 Representatives, Class Members, and Class Counsel to pay, indemnify, or otherwise assume  
20 responsibility for any taxes that would be owed by Defendants in the first instance or as a result of any  
21 re-classification of the treatment of the payments, such as, for example, employer-side payroll  
22 contributions.

23 64. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS  
24 SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE  
25 ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION  
26 OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG  
27 THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY  
28 SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX

ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

65. No Prior Assignments. The Parties and their counsel 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 any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged.

66. Release of Claims by Class Members. Upon the Effective Date, the Settlement Class, and each Participating Class Member, fully releases and discharges the Released Parties for the Released Claims for the Class Period. Participating Class Members will be deemed to have acknowledged and agreed that their claims for wages and penalties in the Action are disputed. Participating Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Settlement Payment.

67. Plaintiff's Released Claims. In addition to the Participating Class Members' Released Claims described above, in exchange for the consideration recited in this Stipulation, including but not limited to the Class Representative Enhancement Award, Plaintiff releases, acquits, and discharges and covenants not to sue any of the Released Parties for any claim, whether known or unknown, which she has ever had, or hereafter may claim to have, arising on or before the date they sign this Stipulation, including without limitation to, any claims relating to or arising out of any aspect of her

relationship with Defendants, or the termination of that relationship, including any claims for unlawful discrimination, harassment, or retaliation; any claims for unpaid compensation, wages, reimbursement for business expenses, penalties, or waiting time penalties; any other claims under the California Labor Code, the California Business and Professions Code, the federal Fair Labor Standards Act, 29 U.S.C. section 201, *et seq.*, or any other federal, state, county, or city law or ordinance regarding wages or other compensation; any claims for employee benefits including without limitation, any claims under the Employment Retirement Income Security Act of 1974; any claims of employment discrimination on any other basis, including without limitation, any claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, 42 U.S.C. section 1981, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1991, the Family and Medical Leave Act of 1993, the California Government Code, or any other federal, state, county, or city law or ordinance regarding employment discrimination. Plaintiff acknowledges and agrees that the foregoing general release is given in exchange for the consideration provided to her under this Stipulation by Defendants. However, this release shall not apply to any claim for workers' compensation benefits, unemployment insurance benefits, pension or retirement benefits, or any other claim or right that as a matter of law cannot be waived or released.

Plaintiff expressly waives any rights or benefits available to her under the provisions of Section 1542 of the California Civil Code, 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.*

Plaintiff understands fully the statutory language of Civil Code Section 1542 and, with this understanding, nevertheless elects to, and does, assume all risks for claims against the Released Parties that have arisen, whether known or unknown, which she had, or hereafter may claim to have, arising on or before the date of her signature to this Stipulation, and specifically waives all rights she may have under the California Civil Code section 1542.

68. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this Settlement Agreement to the Court in support of Plaintiff's Motion for Preliminary Approval and

determination by the Court as to the fairness, adequacy, and reasonableness of the Settlement Agreement. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an order for:

a. Scheduling a fairness hearing on the question of whether the proposed Settlement, including but not limited to, payment of Class Counsel's fees and costs, and the Class Representative Enhancement Payments, should be finally approved as fair, reasonable, and adequate as to the members of the Settlement Class;

b. Preliminarily Certifying a Settlement Class;

c. Approving, as to form and content, the proposed Notice;

d. Approving the manner and method for Class Members to request exclusion from the Settlement as contained herein and within the Notice;

e. Directing the mailing of the Notice, by first class mail to the Class Members; and

f. Giving Preliminary Approval to Settlement subject to final review by the Court.

69. Duties of the Parties Following Preliminary Court Approval. Following Preliminary Approval by the Court of the Settlement provided for in this Settlement Agreement and Notice to the Class, Class Counsel will submit a proposed final order of approval and judgment for:

a. Approval of the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;

b. Approval of Class Counsel's application for an award of attorneys' fees and costs;

c. Approval of the Class Representative Enhancement Payments to the Class Representatives;

d. Approval of the Settlement Administration Costs of the Settlement Administrator; and

e. That judgment be entered in this Action.

b. Rescission by Defendants. If more than fifteen percent (15%) of the Class Members opt-out of the Settlement by submitting Requests for Exclusion, Defendants may, at their option, rescind and void the Settlement and all actions taken in furtherance of it will thereby be null and void. Defendants must exercise this right of rescission, in writing, to Class Counsel within fourteen (14) calendar days after the Settlement Administrator notifies the Parties of the total number of Requests

for Exclusion received by the Response Deadline. If the option to rescind is exercised, Defendants shall be solely responsible for all costs of the Settlement Administrator accrued to that point.

70. Escalator Clause. Defendants have represented that there are 47 Class Members who worked from the beginning of the Class Period through the date of mediation (June 8, 2023). Plaintiff has relied upon this material representation in entering into this Settlement Agreement. Should the number of Class Members on the Class List who worked within the Release Period exceed 47 by more than 15%, Plaintiff may revoke the Settlement unless Defendants increase the MSA proportionately for each additional Class Member or, alternatively, Defendants shall have the option of shortening the PAGA and Class Release Periods to a date corresponding with the 47 Class Members.

71. Termination of Settlement. Subject to the obligation(s) of cooperation set forth herein, any Party may terminate this Settlement if the Court declines to enter the Preliminary Approval Order, the Final Approval Order, or Final Judgment in substantially the form agreed to by the Parties in this Stipulation, or the Settlement Agreement as agreed does not become final because of appellate court action. The Terminating Party shall give to all other Parties (through his/its counsel) written notice of his/its decision to terminate this Agreement no later than ten (10) business days after receiving notice that one of the enumerated events has occurred. Termination of this Agreement shall have the following effects:

a. The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms;

b. In the event the Settlement is terminated, Defendants shall have no obligation to make any payments to any Party, Class Member or Class Counsel. However, Defendants shall be liable for all Settlement Administration costs incurred through that point;

c. The Preliminary Approval Order, Final Approval Order, and Judgment, including any order of class certification, shall be vacated;

d. The Settlement Agreement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Action prior to the Settlement;

1 e. Neither this Stipulated Settlement, nor any ancillary documents, actions, statements, or  
2 filings in furtherance of settlement (including all matters associated with the mediation) shall be  
3 admissible or offered into evidence in the Action or any other action for any purpose whatsoever.

4 f. Notwithstanding the foregoing, if the Court rejects the Settlement despite the Parties'  
5 best efforts and the Parties are unable to agree to Settlement that is approved, Defendants shall be  
6 liable for all Settlement Administration costs incurred through that point.

7 72. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request  
8 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order  
9 for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary  
10 Approval of the proposed Settlement Agreement, and (c) setting a date for a Final  
11 Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice  
12 Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary  
13 Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this  
14 Settlement, and will include the proposed Notice Packet; *i.e.*, the proposed Notice of Class Action  
15 Settlement document, attached as Exhibit A. Class Counsel will be responsible for drafting all  
16 documents necessary to obtain Preliminary Approval. Defendants agree not to oppose the Motion for  
17 Preliminary Approval.

18 73. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the  
19 deadlines for Class Members to submit Requests for Exclusion, or objections to the Settlement  
20 Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be  
21 conducted to determine the Final Approval of the Settlement Agreement along with the amounts  
22 properly payable for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development  
23 Agency Payment; (c) the Class Counsel's Fees and Costs; (d) the Class Representative Enhancement  
24 Payment; (e) all Settlement Administration Costs; and (f) Defendants' share of payroll taxes for wages  
25 paid in connection with the Individual Settlement Payments. Class Counsel will be responsible for  
26 drafting all documents necessary to obtain Final Approval, including responding to any objections and  
27 appeals arising therefrom. Class Counsel will also draft the attorneys' fees and costs application to be  
28 heard at the Final Approval hearing. Defendants agree not to oppose the Motion for Final Approval.

1           74.   Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the  
2 Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment  
3 pursuant to California Code of Civil Procedure section 664.6 to the Court for its approval. After entry  
4 of the Judgment, the Court will have continuing jurisdiction for purposes of addressing: (a) the  
5 interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters,  
6 and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this  
7 Agreement.

8           75.   Exhibit(s) Incorporated by Reference. The terms of this Agreement include the terms  
9 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth  
10 herein. Any Exhibits to this Agreement are an integral part of the Settlement.

11          76.   Entire Agreement. This Settlement Agreement, the general release of all claims by the  
12 Class Representative, and any attached Exhibit(s) constitute the entirety of the Parties' settlement  
13 terms. The Parties expressly recognize California Civil Code section 1625 and California Code of Civil  
14 Procedure section 1856(a), which provide that a written agreement is to be construed according to its  
15 terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such  
16 extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this  
17 Agreement.

18          77.   Amendment or Modification. This Settlement Agreement may be amended or modified  
19 only by a written instrument signed by the named Parties or their successors-in-interest.

20          78.   Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and  
21 represent they are expressly authorized by the Parties whom they represent to negotiate this  
22 Settlement Agreement and to take all appropriate action required or permitted to be taken by such  
23 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other  
24 documents required to effectuate the terms of this Settlement Agreement. The Parties and their  
25 counsel will cooperate with each other and use their best efforts to effectuate the implementation of  
26 the Settlement. If the Parties are unable to reach agreement on the form or content of any document  
27 needed to implement the Settlement, or on any supplemental provisions that may become necessary  
28 to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve

1 such disagreement.

2 79. Signatories. It is agreed for the purposes of this Settlement Agreement only that  
3 because the members of the Class are so numerous, it is impossible or impractical to have each  
4 member of the Class execute this Settlement Agreement. The Notice, attached hereto as Exhibit A,  
5 will advise all Class Members of the binding nature of the release, and the release shall have the same  
6 force and effect as if this Settlement Agreement were executed by each member of the Class.

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

9 81. California Law Governs. All terms of this Settlement Agreement and Exhibit(s) hereto  
10 will be governed by and interpreted according to the laws of the State of California.

11 82. Execution and Counterparts. This Settlement Agreement is subject only to the execution  
12 of all Parties. The Agreement may be executed in one or more counterparts either by ink or electronic  
13 signature. All executed counterparts and each of them, including electronic, facsimile, and scanned  
14 copies of the signature page, will be deemed to be one and the same instrument.

15 83. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
16 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action. The Parties further  
17 agree that they have arrived at this Settlement after arm's-length negotiations and in the context of  
18 adversarial litigation, taking into account all relevant factors, present and potential. The Parties further  
19 acknowledge that they are each represented by competent counsel and that they have had an  
20 opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement.

21 84. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement  
22 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible  
23 consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid  
24 and enforceable.

25 85. Plaintiff's Waiver of Right to Be Excluded and Object. Plaintiff agrees to sign this  
26 Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms  
27 herein. For good and valuable consideration, Plaintiff further agrees that he will not request to be  
28 excluded from the Settlement Agreement, nor object to any terms herein. Any such request for

1 exclusion or objection by Plaintiff will be void and of no force or effect. Any efforts by Plaintiff to  
2 circumvent the terms of this paragraph will be void and of no force or effect.

3 86. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class  
4 certification for settlement purposes only; except, however, that Plaintiff or Class Counsel may appeal  
5 any reduction in the Class Counsel's Fees and Costs below the amount requested from the Court but  
6 must inform Defense Counsel and the Class Administrator of any intent to appeal prior to the  
7 distribution of any funds from the Class Administrator to any Settlement Class Members or any other  
8 Parties. Any Party may appeal a Court order that materially modifies the Settlement in a manner that  
9 was not approved in writing by all Parties.

10 87. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute  
11 that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In  
12 entering into this Agreement, Released Parties do not admit, and specifically deny, they have violated  
13 any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any  
14 statute or any other applicable laws, regulations, or legal requirements; breached any contract;  
15 violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any  
16 other unlawful conduct with respect to its employees. Neither this Agreement, nor any of its terms or  
17 provisions, nor any of the negotiations connected with it, shall be construed as an admission or  
18 concession by Released Parties of any such violations or failures to comply with any applicable law.  
19 Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its  
20 terms and provisions shall not be offered or received as evidence in any action or proceeding to  
21 establish any liability or admission on the part of Released Parties, or to establish the existence of any  
22 condition constituting a violation of, or non-compliance with, federal, state, local, or other applicable  
23 law.

24 88. Captions. The captions and section numbers in this Agreement are inserted for the  
25 reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the  
26 provisions of this Agreement.

27 89. Waiver. No waiver of any condition or covenant contained in this Agreement or failure  
28 to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a

1 further waiver by such Party of the same or any other condition, covenant, right, or remedy.

2 90. Enforcement Actions. In the event that one or more of the Parties institute any legal  
3 action, motion, petition, or other proceeding against any other Party or Parties to enforce the  
4 provisions of this Settlement or to declare rights and/or obligations under this Settlement, the  
5 successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable  
6 attorneys' fees and costs, including expert witness fees incurred, in connection with such enforcement  
7 actions.

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

13 92. Representation By Counsel. The Parties acknowledge that they have been represented  
14 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this  
15 Agreement has been executed with the consent and advice of counsel, and reviewed in full.

16 93. All Terms Subject to Final Court Approval. All amounts and procedures described in this  
17 Settlement Agreement herein will be subject to the Court's Final Approval.

18 94. Notices. Unless otherwise specifically provided herein, all notices, demands, or other  
19 communications given hereunder shall be in writing and shall be transmitted to a Party via email:

20 To Plaintiff and the Settlement Class:

21 Elliot J. Siegel  
22 elliot@kingsiegel.com  
23 Julian Burns King  
24 julian@kingsiegel.com  
25 **KING & SIEGEL LLP**  
26 724 S. Spring Street, Suite 201  
27 Los Angeles, California 90014

26 To Defendants:

27 David C. Hawkes  
28 dhawkes@bdfllaw.com  
**BLANCHARD, KRASNER & FRENCH**

800 Silverado Street, Second Floor  
La Jolla, CA 92037

95. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

96. Binding Agreement. The Parties warrant that: 1) they understand and have full authority to enter into this Agreement; 2) they intend that this Agreement will be fully enforceable and binding on all Parties; and 3) agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Settlement and Release Between Plaintiff and Defendants as of the date(s) set forth below:

**SIGNATURES**

**READ CAREFULLY BEFORE SIGNING**

**PLAINTIFF:** Mercedes Castro

Dated: 08 / 08 / 2023

Mercedes Castro  
Mercedes Castro

**DEFENDANT:** Reseda Discount Corporation

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

800 Silverado Street, Second Floor  
La Jolla, CA 92037

95. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

96. Binding Agreement. The Parties warrant that: 1) they understand and have full authority to enter into this Agreement; 2) they intend that this Agreement will be fully enforceable and binding on all Parties; and 3) agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Settlement and Release Between Plaintiff and Defendants as of the date(s) set forth below:

**SIGNATURES**

**READ CAREFULLY BEFORE SIGNING**

**PLAINTIFF:** Mercedes Castro

Dated: \_\_\_\_\_

\_\_\_\_\_  
Mercedes Castro

**DEFENDANT:** Reseda Discount Corporation

8/10/2023  
Dated: \_\_\_\_\_

DocuSigned by:  
**Woo Yi**  
By: ADBCCE16C3BD459  
Woo Yi  
President  
Its: \_\_\_\_\_

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**DEFENDANT:** RDC Collective Corp.

Dated: 8/10/2023 \_\_\_\_\_

DocuSigned by:  
*Woo Yi* Woo Yi  
By: \_\_\_\_\_  
                    ADBCCF48C3BD450...  
Its: President \_\_\_\_\_