

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement” or “Settlement”) is reached by and between Plaintiff Kevin Walters (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on the one hand, and Defendant UFP Thornton, LLC (“UFP” or “Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Tuvia Korobkin and Neil M. Larsen of Abramson Labor Group (“Class Counsel”). Defendant is represented by Michael J. Nader and Alexandra M. Asterlin of Ogletree Deakins Nash Smoak & Stewart, P.C. (“Defense Counsel”).

Plaintiff filed a class action complaint against Defendant in San Joaquin County Superior Court (the “Court”), titled *Kevin Walters v. UFP Thornton, LLP, et al*, Case No. STK-UOE-2022-0012249 on December 29, 2022. Also on December 29, 2022, Plaintiff filed a PAGA letter with the Labor Workforce Development Agency (the “PAGA Letter”).

The operative First Amended Complaint in the Action, filed on March 17, 2023 (the “First Amended Complaint”), alleges claims against Defendant for: (i) failure to pay overtime wages; (ii) failure to pay meal period premiums at regular rate of compensation; (iii) meal period violations; (iv) rest period violations; (v) wage statement violations; (vi) waiting time penalties; (vii) failure to pay vacation wages at proper rate of pay at termination; (viii) failure to reimburse expenses; (ix) unfair competition; and (x) civil penalties under the Labor Code Private Attorneys General Act (“PAGA”), Labor Code § 2698 *et seq.*

The PAGA Letter and the First Amended Complaint are jointly referred to as the “Action.”

A “Workweek” means any workweek in which, according to Defendant’s records, a Class Member worked for any amount of time for Defendant during the Class Period.

A “Pay Period” means any pay period in which, according to Defendant’s records, a Class or PAGA Member worked for any amount of time for Defendant during either the Wage Statement Period (as defined herein) or during the PAGA Settlement Period.

Given the uncertainty of litigation, the Parties wish to settle Plaintiff’s claims on a classwide and representative basis. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For purposes of this Settlement only, Plaintiff and Defendant stipulate to the certification of a “Settlement Class,” which shall be defined as:

All current and former non-exempt employees employed by UFP in California at any time from December 29, 2018 until December 11, 2023 (the “Class Period”).

Defendant represented at the mediation that an extrapolated estimate of the total number of class members was approximately 343.

The Parties agree that certification for purpose of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure in a non-settlement context. If for any reason this Settlement is not approved or is terminated, this agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement.

2. **Release by Settlement Class.** Upon the occurrence of the Effective Date (defined below) and the Settlement being fully funded by Defendant, Plaintiff and every Settlement Class member who does not opt out of the class portion of the Settlement (“Participating Class Members”) will release and discharge Defendant and its past, present and/or future, direct and/or indirect, owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, parent companies, subsidiaries, affiliates, successors, and assigns (“Released Parties”) from the “Released Class Claims,” which include all claims and/or causes of action under any state, local, or federal law or administrative regulation against the Released Parties that were alleged in the Action or could have been alleged based on the allegations in the Action, including Article XV, Section 1 of the California Constitution, and including all class claims stated in the Action alleging violations of Labor Code sections 201, 202, 203, 204, 218.6, 226, 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1194, 1198, 2802, 2804, and IWC Wage Order 7, including, inter alia, section 3 and 12, and section 17200 *et seq* of the California Business and Professions Code, and:
- (a) All claims for unpaid overtime and double-time wages, and the alleged failure to pay for all overtime or double-time wages at correct rates;
 - (b) All claims for the alleged failure to pay all earned wages to current employees on a timely basis in violation of section 204 of the Labor Code;
 - (c) All claims for failure to pay at the correct regular rates, including regular rates for overtime and double-time wages, meal and rest break premium wages, and paid sick leave.
 - (d) All claims for meal period violations, including claims for (1) first and second meal periods, (2) short, late, missed, interrupted, and otherwise improperly controlled meal periods, (3) the failure to pay premium wages, (4) the failure to pay premium wages at the correct regular rates, and (5) the failure to properly record meal periods;
 - (e) All claims for rest break violations, including claims for (1) first, second, third, and fourth rest breaks, (2) short, late, missed, interrupted, and otherwise improperly controlled rest breaks, (3) the failure to pay premium wages, and (4) the failure to pay premium wages at the correct regular rates;
 - (f) all claims for paid sick leave violations;
 - (g) All claims for the untimely payment of final wages and associated waiting time penalties under sections 201 to 203 of the Labor Code;
 - (h) All claims for unreimbursed expenses, including, but not limited to, expenses incurred for personal cell phones;
 - (i) All claims for improper or inaccurate itemized wage statements, including any alleged violations of Labor Code Section 226(a)(1)-(9) based on the allegations in the Action, including the allegations that wage statements lacked the total number of hours worked and corresponding rates, including regular rates, and including claims for injuries suffered therefrom;
 - (j) All claims for unpaid vacation and paid time off, including claims that such pay was not paid at the correct rates;
 - (k) All claims for the alleged failure to keep accurate records in violation of Section 1174 of the Labor Code;
 - (l) All claims under the Business & Professions Code (including Section 17200 *et seq.*) premised on the facts, claims, and causes of action alleged in the Action;

and

- (m) All claims for statutory penalties, liquidated damages, punitive damages, interest, attorney's fees, litigation and other costs, expenses, restitution, and equitable and declaratory relief based on the allegations in the Action.

The period of the Released Class Claims will extend for the Class Period.

- 3. **PAGA Release.** In addition, all Settlement Class members (regardless of whether they opt out) who worked for Defendant at any point from December 29, 2021 through the end of the Class Period (the "PAGA Period") shall release the Released Parties from the "Released PAGA Claims," which include all claims and causes of action for PAGA penalties against the Released Parties that were or could have been alleged based on the allegations in the Action, including all claims for PAGA penalties based on alleged violations of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2802, 2804, and IWC Wage Order 7, and:
 - (a) All claims for PAGA penalties based on the alleged failure to pay overtime and double-time wages and the alleged failure to pay for all overtime or double-time worked at correct rates;
 - (b) All claims for PAGA penalties based on the alleged failure to timely pay all earned wages to current employees in violation of sections 204 and 210 of the Labor Code;
 - (c) All claims for PAGA penalties based on the alleged failure to pay regular rates, including regular rates for overtime and double-time wages, meal and rest break premium wages, and paid sick leave;
 - (d) All claims for PAGA penalties based on the alleged failure to provide compliant meal periods, including claims for (1) first and second meal periods, (2) short, late, missed, interrupted, and otherwise improperly controlled meal periods, (3) the failure to pay premium wages, (4) the failure to pay premium wages at the correct regular rates, and (5) the failure to properly record meal periods;
 - (e) All claims for PAGA penalties based on the alleged failure to provide compliant rest breaks, including claims for (1) first, second, third, and fourth rest breaks, (2) short, late, missed, interrupted, and otherwise improperly controlled rest breaks, (3) the failure to pay premium wages, and (4) the failure to pay premium wages at the correct regular rates;
 - (f) All claims for PAGA penalties for alleged paid sick leave violations.
 - (g) All claims for PAGA penalties for the untimely payment of final wages under sections 201 to 203 of the Labor Code Section;
 - (h) All claims for PAGA penalties for allegedly unreimbursed expenses, including, but not limited to, expenses incurred for personal cell phones;
 - (i) All claims for PAGA penalties for allegedly improper or inaccurate itemized wage statements, including any alleged violations of Labor Code Section 226(a)(1)-(9) based on the allegations in the Action, including the allegations that wage statements lacked the total number of hours worked and corresponding rates, including regular rates, and including claims for injuries suffered therefrom;

- (j) All claims for PAGA penalties for the alleged failure to keep accurate records in violation of Section 1174 of the Labor Code;
- (k) And all other claims for PAGA penalties alleged in the Action.

The release period of the Released PAGA Claims will extend for the duration of the PAGA Period.

- 4. **Release by Plaintiff.** Upon the occurrence of the Effective Date and the funding of the Gross Settlement Amount, Plaintiff, as the named Class Representative, agrees to further release the Released Parties from any and all claims, demands, rights, liabilities, and/or causes, of any form whatsoever, arising under federal, state or local laws, rules, or regulations, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, that have been or could have been asserted by Plaintiff, or the heirs, successors and/or assigns of Plaintiff, whether directly, indirectly, representatively, derivatively or in any other capacity, arising from Plaintiff's employment with Defendant, arising at any time prior to the date that Plaintiff executes this Settlement. This release expressly excludes any workers' compensation claim that Plaintiff may have (except for claims pursuant to Labor Code Sections 132a and 4553), any claims for unemployment insurance, disability, social security, or any other claims which cannot be released by law ("Plaintiff's Released Claims"). As to Plaintiff's Released Claims only, Plaintiff expressly waives all rights and benefits under the terms of section 1542 of the California Civil Code. Section 1542 reads 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 releasing party.

- 5. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a "Gross Settlement Amount" or "GSA" of Seven Hundred Forty-Five Thousand Dollars and Zero Cents (\$745,000.00) in full and complete settlement of the Action, as follows:
 - A. The Parties have agreed to engage Phoenix Settlement Administrators ("Phoenix") as the "Settlement Administrator" to administer this Settlement.
 - B. The Gross Settlement Amount shall be funded by Defendant with the Settlement Administrator no later than twenty-one (21) Court days after the Effective Date (defined below).
 - C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
 - i. All payments to the Settlement Class;
 - ii. All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than \$10,000.00;
 - iii. Up to \$10,000.00 for Plaintiff's Class Representative Service Award, in recognition of his general release of claims and his contributions to the Action and to the Settlement Class;
 - iv. Class Counsel attorney fees of one-third of the GSA (currently estimated to be \$248,333.33), plus litigation costs and expenses incurred by Class Counsel in relation to the Action as supported by declaration, which are currently estimated to be no greater than \$20,000.00;

- v. The Parties have set aside \$80,000.00 of the GSA as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or \$60,000.00, will be payable to the Labor & Workforce Development Agency (“LWDA”), and the remaining 25%, or \$20,000.00, will be payable to certain Settlement Class Members as the “PAGA Amount” as discussed below.
 - D. The employer’s share of payroll taxes on any wage portion of the payments to the Settlement Class shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount. Defendant’s share of payroll taxes shall be deposited by Defendant with the Settlement Administrator at the same time it deposits the Gross Settlement Amount.
 - E. **Escalator Clause.** At the mediation, UFP’s data set covered the period from December 29, 2018 to the date of the mediation, September 12, 2023 (the “Mediation Period”). Out of that Mediation Period data set, UFP’s data team calculated and extrapolated a total of 34,636 Workweeks for the Settlement Class during the Mediation Period. “Workweeks” means any workweek in which a Settlement Class member worked for any amount of time during the Class Period according to Defendant’s records. If the actual count of Workweeks during the Mediation Period is later validated by the Settlement Administrator to be more than 10% larger – in that the number of workweeks during the Mediation Period actually exceeds 38,100 workweeks – then for each workweek that is in addition to 38,100 workweeks, the GSA shall increase an additional \$21.51. For example, if the actual number of workweeks is later validated to be 38,110 during the Mediation Period (i.e., 10 workweeks over 38,100), then the GSA will be increased by \$215.10.
 - F. **Defendant’s Right to Rescind.** If the number of valid Requests for Exclusion exceeds 10% of the total of all Settlement Class members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, that Defendant will remain responsible for paying all Settlement Administrator’s expenses incurred to that point. Defendant must notify Class Counsel of its election to withdraw not later than ten (10) Court days after the Settlement Administrator first notifies the Parties that the number of valid and timely Requests for Exclusion equals more than 10% of the Settlement Class members.
6. **Effective Date.** The “Effective Date” of the settlement agreement shall be the day after both of the following have occurred: (i) final approval of the settlement is granted by the Court, and (ii) Judgment approving the settlement becomes Final. “Final” shall mean the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the United States Supreme Court, or, (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment.
7. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment from the Settlement (“Settlement Award”). Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator will deduct from the Gross Settlement Amount the Court-approved amounts for Class Counsel's attorneys' fees and litigation costs, Plaintiff's Class Representative Service Award, the Settlement Administrator's administration costs, and PAGA civil penalties. The remaining amount shall be known as the "Net Settlement Amount" or "NSA." Settlement Awards will be the total of each Settlement Class member's (i) payment from the NSA and (ii) payment, if any, from the PAGA Amount, as described below.
- B. Payments from the Net Settlement Amount: All Participating Class Members will receive a payment from the NSA as follows.
- i. Fifteen percent (15%) of the NSA will be designated the "Waiting Time Amount." All Participating Class Members who are former employees of Defendant and whose employment with Defendant ended at any time from December 29, 2019 until the end of the Class Period ("Waiting Time Period"), will receive an equal share of the Waiting Time Amount.
 - ii. Ten percent (10%) of the NSA will be designated the "Wage Statement Amount." Each Participating Class Member who was employed by Defendant at any time from December 29, 2021 through the end of the Class Period (the "Wage Statement Period") will receive a *pro rata* portion of the Wage Statement Amount based on the proportionate number of Pay Periods that he or she worked in the Wage Statement Period. A "Pay Period" means any pay period in which the Settlement Class member worked any amount of time for Defendant during the Wage Statement Period. The Settlement Administrator will calculate each Participating Class Member's payment, if any, from the Wage Statement Amount by multiplying the Wage Statement Amount by a fraction, the numerator of which is the Participating Class Member's number of Pay Periods during the Wage Statement Period, and the denominator of which is the total Pay Periods of all Participating Class Members during the Wage Statement Period.
 - iii. The remaining seventy-five percent (75%) of the NSA (the "NSA Remainder") will be distributed to all Participating Class Members based on each Participating Class Member's proportionate number of Workweeks that they worked for Defendant as a non-exempt employee in California during the Class Period. The Settlement Administrator will calculate each Participating Class Member's payment from the NSA Remainder by multiplying the NSA Remainder by a fraction, the numerator of which is the Participating Class Member's number of Workweeks, and the denominator of which is the total Workweeks of all Participating Class Members.
- C. Payments from the PAGA Amount: In addition to the NSA, 25% of the amount set aside as PAGA civil penalties (i.e., \$20,000.00) has been set aside as the "PAGA Amount," as mentioned above. The PAGA Amount shall be paid to all Settlement Class Members (regardless whether they opt out) who were employed by Defendant at any time during the PAGA Period, based on their proportional number of Pay Periods in which they worked any amount of time for Defendant during the PAGA Period. Specifically, each Settlement Class member's payment from the PAGA

Amount will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's number of Pay Periods worked for Defendant during the PAGA Period, and the denominator of which is the total Pay Periods worked by all Settlement Class members during the PAGA Period.

- D. Within five (5) business days following Defendant's deposit of the Gross Settlement Amount and the employer's share of payroll taxes with the Settlement Administrator, the Settlement Administrator will calculate Settlement Awards, and provide the same to Class Counsel and Defense Counsel for review and approval. Within ten (10) business days following receipt of the Gross Settlement Amount and the employer's share of payroll taxes, and after receiving approval of its calculations by counsel, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to Settlement Class members, as well as the Class Representative Service Award to Plaintiff, the LWDA's PAGA payment to the LWDA, and Class Counsel's attorneys' fees and costs to Class Counsel. The Settlement Administrator shall simultaneously pay all applicable withholdings to the applicable authorities with the necessary reports, submitting copies to Defense Counsel.
- E. For purposes of calculating applicable taxes and withholdings for payments, each Settlement Award shall be allocated as follows: for amounts paid from the PAGA Amount, 100% penalties; for amounts paid from the Net Settlement Amount, 20% wages, and 80% as penalties and interest. The Settlement Administrator shall issue to Settlement Class members an IRS Form W-2 for amounts deemed "wages" and an IRS Form 1099 for the portions allocated as penalties and interest. As stated above, Defendant is responsible for the employer's share of the payroll taxes on the wage portion of the Settlement Awards, and these taxes will not be deducted from the Gross Settlement Amount. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement are to be treated as earnings, wages, pay, or compensation for any purpose of any applicable bonus, benefit, or retirement plan, unless required by such plans.
- F. Each Settlement Class member who is mailed a Settlement Award must cash his/her Settlement Award check within 180 days from the date the Settlement Administrator mails it. Any funds payable to a Settlement Class member whose check is not cashed within 180 days after mailing will be deposited by the Settlement Administrator with the California Unclaimed Property Fund, in the name of the Settlement Class member whose check is not cashed. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as all payments to the Settlement Class will be paid out, whether or not these individuals cash their Settlement Checks. Therefore, UFP will not be required to pay any interest on such amounts.
- G. Neither Plaintiff nor Defendants, nor their respective counsel, shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

8. **Attorneys' Fees and Costs.** Class Counsel will request a total award of attorneys' fees of one-third of the Gross Settlement Amount (currently estimated at \$248,333.33), plus actual costs and expenses as supported by declaration in an amount not to exceed \$20,000.00. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement, including any objections raised and any appeals necessitated by those objections. As noted above, the Settlement Administrator will mail Class Counsel the attorneys' fees and cost award when it mails the Settlement Awards to Settlement Class members. The Settlement Administrator will issue Class Counsel an IRS Form 1009 when the Settlement Administrator pays the fee and cost award approved by the Court.
9. **Class Representative Service Payment.** Plaintiff will request, and Defendant will not oppose, a Class Representative Service Payment of \$10,000.00 from the Gross Settlement Amount for Plaintiff's time and risks undertaken in prosecuting the Action, and his service to the Settlement Class. This award will be in addition to Plaintiff's Settlement Award as a Settlement Class member and shall be reported on an IRS Form 1099 by the Settlement Administrator. The Settlement Administrator will mail Plaintiff the Class Representative Incentive Award when it mails the Settlement Awards to Settlement Class Members.
10. **Settlement Administrator.** The Parties will request the appointment of Phoenix as Settlement Administrator. Defendant will not object to Plaintiff's seeking permission to pay up to \$10,000.00 from the Gross Settlement Amount for the Settlement Administrator's services. The Settlement Administrator shall be responsible for administering the Settlement. Among other things, the Settlement Administrator will be responsible for sending notices to Settlement Class members in English and Spanish, calculating Settlement Awards and preparing all checks and mailings, posting the Judgment to its website, and other duties as described in this Settlement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount only after Settlement Awards have been mailed to Settlement Class members.
11. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:
 - A. Conditionally certifying the Settlement Class for purposes of this Settlement;
 - B. Appointing Tuvia Korobkin and Neil M. Larsen of Abramson Labor Group as Class Counsel;
 - C. Appointing Plaintiff as Class Representative for the Settlement Class;
 - D. Approving Phoenix as Settlement Administrator;
 - E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
 - F. Approving the form and content of the Class Notice, attached hereto as Exhibit A, and directing the mailing of same; and
 - G. Scheduling a Final Approval hearing.

Class Counsel agrees to provide Counsel for Defendant with drafts of all documents they intend to submit in support of their Motion for Preliminary Approval at least five (5) calendar

days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on such papers. Class Counsel further agrees to make good faith efforts to incorporate the comments from Counsel for Defendant.

12. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

A. Within fifteen (15) Court days after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the name, employee ID number, last known address, last known phone number, social security number, number of Workweeks that each Settlement Class member worked for Defendant in California during the Class Period, number of Pay Periods that each Settlement Class member worked for Defendant in California during the Wage Statement Period/PAGA Period, and dates of employment for each Settlement Class member (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator. The Settlement Administrator shall maintain the Class Data as private and confidential and shall not disclose such data to any persons or entities other than Counsel for Defendant, except that relevant information can be provided to Class Counsel, on an individual basis only, and only when necessary for Class Counsel to respond to specific inquiries or requests from individual Class Members. The Class Data is being supplied solely for purposes of the administration of the Settlement set forth in this Agreement and cannot be used by the Settlement Administrator or Class Counsel for any other purpose. The Parties agree that the Class Data will not be used to solicit Settlement Class members to file any claim, charge or complaint of any kind whatsoever against Defendant and will only be used to administer the Settlement under the terms provided herein.

- B. Within ten (10) business days from receipt of the Class Data, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class Members; (ii) update the addresses of any Settlement Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member, and provide Class Counsel and Defense Counsel with its calculations for their approval; (iv) provide Class Counsel and Defense Counsel with formatted versions of the Notice Packets to be sent to Settlement Class members; and (v) after receiving approval from all counsel, mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the class portion of the Settlement must complete and mail a Request for Exclusion (defined herein) to the Settlement Administrator on or before forty-five (45) calendar days after the date of the initial mailing of the Notice Packets (the "Response Deadline"). The Request for Exclusion is a document prepared by the Settlement Class member that must: (1) contain the Settlement Class member's name, address, telephone number, and last four digits of his/her Social Security number; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and

(4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from this settlement. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who excludes himself or herself from the Settlement Class will not be entitled to any recovery under this Settlement (except for any share from the PAGA Amount, if applicable), will not be bound by the terms of the Settlement (except for release of the PAGA Released Claims, if applicable), and will not have any right to object, appeal, or comment thereon. The Settlement Administrator will provide the Parties with weekly updates regarding the number of Requests for Exclusion received.

- D. Objections. Settlement Class members who do not request exclusion may object to the Settlement by mailing a written objection to the Settlement Administrator as explained in the Class Notice. The Settlement Administrator shall, within two (2) business days of receipt, serve any written objection(s) as received on Class Counsel and Defense Counsel, and Class Counsel shall then file all such objections with the Court. Defense Counsel and Class Counsel shall file and serve any responses to written objections no later than five (5) calendar days prior to the Final Approval hearing. To be valid, any written objection must: (1) contain the objecting Settlement Class member's full name, current address, telephone number, and e-mail address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence supporting the objection; and (4) be postmarked no later than the Response Deadline. A Settlement Class member who wishes to object but who fails to comply with the procedures set forth herein and/or in the Class Notice shall be deemed not to have objected. Any attorney who intends to represent an objecting Settlement Class member at the Final Approval hearing must submit a Notice of Appearance to the Court and serve it on all Parties on or before the Response Deadline. The Parties and their counsel agree not to take any action to encourage any Settlement Class member to object to the Settlement.

The Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class members to object to the Settlement or file Requests for Exclusion, or to appeal from the Court's Final Judgment.

- E. Disputes. Each Class Notice mailed to Settlement Class members shall contain an estimate of the Settlement Class member's Settlement Award, as well as the information based on Defendant's records that was used to calculate the Settlement Award, including their number of Workweeks they worked for Defendant during the Class Period, whether their employment with Defendant ended during the Waiting Time Period, and their number of Pay Periods (if any) worked during the Wage Statement Period/PAGA Period. Settlement Class members will have the opportunity, should they disagree with these data points, to provide documentation and/or an explanation to show contrary information. The Settlement Class member's written letter disputing the pre-printed information on the Class Notice must: (a) contain the case name and number of the Action; (b) contain the

Settlement Class member's full name, signature, address, telephone number, and last four (4) digits of Social Security number; (c) clearly state the dispute about the Workweeks credited (and/or other data points) and what the Settlement Class member contends is the correct number; (d) attach any documentation that supports the Settlement Class member's position; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. If there is a dispute, the Settlement Administrator will consult with counsel for the Parties to determine whether an adjustment to the Settlement Class member's Settlement Award is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Award under the terms of this Settlement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Settlement Class member and the Parties.

- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within three (3) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member within two (2) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline, whichever is later, to submit a Request for Exclusion, Objection, or dispute, as applicable. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline, if applicable. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet need not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defense Counsel to provide notice of the Settlement.

13. **Final Approval.** Following preliminary approval and the close of the period for submitting Requests for Exclusion, Objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval of the Settlement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees, costs, Class Representative Service Payment, PAGA civil penalties to the LWDA, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

14. **Non-Admission of Liability.** Defendant denies any liability or wrongdoing of any kind associated with the claims asserted in the Action. Defendant also disputes the damages and penalties claimed by Plaintiff, and further contends that, for any purpose other than

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settlement, Plaintiff's claims are not appropriate for class or representative treatment. This Settlement is a compromise of disputed claims. Nothing contained in this Settlement, no documents referred to herein, and no action taken to carry out this Settlement, shall be construed or used as an admission by or against Defendant as to the merits of the claims asserted in the Actions or in any other proceeding.

Defendant contends that at all times it has complied with all applicable state, federal and local laws related to the Settlement Class members' employment. Defendant has entered into this Settlement to avoid the cost, risk, and inconvenience of further litigation. Nothing contained in this Settlement, nor the fact of this Settlement itself, shall be construed or deemed as an admission of liability, or wrongdoing on the part of the Defendant collectively or individually, or as an admission that class or representative action treatment would be allowed outside the settlement context. The Parties agree that this Settlement cannot be used to support any claim for subsequent penalty violation rates under the PAGA in any subsequent PAGA litigation.

Pursuant to California Evidence Code sections 1152 and 1154, this Settlement shall be inadmissible as evidence in any proceeding; except that the Settlement may be filed and used in this litigation or any related litigation as necessary to approve, interpret, or enforce this Settlement, or in any subsequent action against or by Defendant to support a stay of such subsequent action, or to establish a defense of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

15. **Confidentiality/No Publicity.** Prior to preliminary approval, the Parties agree not to disclose the terms of this Settlement except in court papers filed to seek approval or to make other disclosures jointly agreed to by the Parties in advance as necessary to effectuate the Settlement. Before and after approval of this Settlement, Plaintiff and Class Counsel shall not issue a press release, hold a press conference, or otherwise contact the media about the settlement. After approval, however, Class Counsel may publish general information about the settlement on its website, without including the name of Defendant. Nothing herein restricts Class counsel from fulfilling its duties to Settlement Class members. In addition, Class Counsel may (in future declarations submitted in Court) refer to the fact that this matter settled on a class and representative action basis, for the purpose of detailing the experience of counsel. Plaintiff and Class Counsel agree not to respond to any media inquiries except to refer reporters to the papers filed with the court.
16. **Continuing Jurisdiction.** Except as otherwise specifically provided for herein, the Court shall retain jurisdiction to construe, interpret and enforce this Settlement, to supervise all notices, the administration of the Settlement, and to hear and adjudicate any dispute arising from or related to the Settlement. The Parties agree that the Court has jurisdiction over the Settlement pursuant to California Code of Civil Procedure, Section 664.6 and California Rule of Court 3.769.
17. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement except by a written agreement signed by counsel for all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement will not constitute a waiver of any other provision.
18. **Enforcement Action.** In the event either Party brings an action to enforce the terms of this

Settlement, the prevailing party in such action shall be entitled to recover his/her/its reasonable attorneys' fees and costs incurred.

19. **Applicable Law.** All terms and conditions of this Settlement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law or choice of law principles.
20. **Captions and Interpretations.** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.
21. **Entire Agreement.** This Settlement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.
22. **Counterparts.** This Settlement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.
23. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
24. **Representation.** All of the Parties have been represented by counsel throughout all negotiations which preceded the execution of this Settlement, and all Parties have been advised by counsel prior to entering into this Settlement. Plaintiff and his Counsel represent that other than the instant action, Plaintiff and his Counsel (specifically, Tuvia Korobkin, Neil M. Larsen, and Rijenea Appling) do not currently represent any other current or former employees of Defendant in connection with any actual or planned claims, charges, complaints, or other matters against Defendant, and they are not aware of any current or former employees of Defendant who are planning to bring any claims, charges, Complaints, or other matters against Defendant.
25. **Interim Stay of Proceedings.** Upon full execution of this Agreement, the Parties agree to jointly request the Court to stay proceedings except for the proceedings necessary to implement and complete the Settlement. This request will be made via the Motion for Preliminary Approval filed by Plaintiff.
26. **No Tax Advice.** Settlement Class members and Class Counsel shall be solely responsible for the reporting and payment of their share of any federal, state, and/or local income tax or other tax or any other withholdings, if any, on any of the respective payments made to them pursuant to this Settlement. The Notice will advise each Settlement Class member to seek his/her own personal tax advice with respect to any payment they may receive pursuant to the Settlement. Defendant has not made any representations as to taxability to any Settlement Class members of any portion of their Settlement Awards, the payment of any attorney's fees and expenses to Class Counsel, or the payment of the Class Representative Enhancement Award to the Class Representative. Neither Plaintiff, Class Counsel, nor Defendant's Counsel are providing any advice regarding taxes or taxability,

nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

AGREED TO AND APPROVED BY:

DATED: January 8, 2024

UFP THORNTON, LLC

By: DocuSigned by:

96A1D0CB90905440...
Authorized Agent for Defendant UFP
Thornton, LLC

DATED: _____

KEVIN WALTERS

Plaintiff and Class Representative

APPROVED AS TO FORM:

ABRAMSON LABOR GROUP

DATED: _____

By: _____
Tuvia Korobkin
Attorneys for Plaintiff

**OGLETREE DEAKINS NASH SMOAK &
STEWART, P.C.**

DATED: 1/8/24

By: 
Michael J. Nader
Attorneys for Defendant

nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

AGREED TO AND APPROVED BY:

DATED: _____

UFP THORNTON, LLC

By: _____
Authorized Agent for Defendant UFP
Thornton, LLC

DATED: 1/12/2024

KEVIN WALTERS

DocuSigned by:
Kevin Walters

0F07A0040700464...
Plaintiff and Class Representative

APPROVED AS TO FORM:

ABRAMSON LABOR GROUP

DATED: January 12, 2024

By: *Tuvia Korobkin*
Tuvia Korobkin
Attorneys for Plaintiff

**OGLETREE DEAKINS NASH SMOAK &
STEWART. P.C.**

DATED: _____

By: _____
Michael J. Nader
Attorneys for Defendant

EXHIBIT A

Superior Court of the State of California, San Joaquin County
Kevin Walters v. UFP Thornton, LLC
Case No. STK-UOE-2022-0012249

*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 whether you act or don't act.*

NOTICE OF SETTLEMENT OF CLASS AND REPRESENTATIVE ACTION

To: **Settlement Class Members:** All current and former non-exempt employees who worked for Defendant UFP Thornton, LLC (“UFP” or “Defendant”) in California at any time from December 29, 2018 through December 11, 2023. (“Class Period”).

A putative class action and representative action under the California Private Attorneys General Act of 2004 (“PAGA”), which was brought on behalf of the Settlement Class Members (defined above) and against UFP , has been settled for \$745,000.00. As explained in this Notice, if the Court approves this Class and PAGA Settlement, then you may receive payments under this Settlement. You are receiving this Notice because the Defendant’s records indicate that you are a Settlement Class Member.

If you are a Settlement Class Member, you are eligible for payment from the Settlement described in this Notice without the need to return a claim form.

PLEASE READ THIS NOTICE CAREFULLY.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE YOUR SETTLEMENT CHECK	If you want to participate and receive your share of the money from the Class and PAGA settlement, you do <u>not</u> need to do anything. If you do nothing, you will be mailed a settlement payment and you will release certain claims. <i>Please note that you must, however, keep a current address on file with the Settlement Administrator to ensure receipt of your check.</i>
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT AND <u>NOT</u> RECEIVE A CLASS SETTLEMENT CHECK	If you ask to be excluded from the Class portion of the settlement and money is later awarded to the Settlement Class, then you will not receive any share from the class settlement money. But if you exclude yourself, you keep any rights as an individual to sue Defendant separately about the same legal claims that are being settled here. You may exclude yourself from the Class portion of the settlement by submitting a written Request for Exclusion according to the instructions contained in this Notice. The deadline to submit a Request for Exclusion is [45 calendar days from date of mailing]. If you worked for Defendant in California at any time from December 29, 2021 through December 11, 2023, you will still receive a portion of the PAGA settlement money and be bound by the release of PAGA claims (described below), even if you submit a Request for Exclusion.

OBJECT	Object to the Settlement if you think the Settlement is not fair by sending your written objection to the Settlement Administrator and, if you wish, appear at the Final Approval Hearing. If you submit a Request for Exclusion from the Settlement, you cannot also object to it. The deadline to submit an objection is [45 calendar days from date of mailing].
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- **Your rights and options – and the deadlines to exercise them – are explained in this Notice.**
- **Defendant supports the settlement and will not retaliate in any manner against any Settlement Class member for any reason, including whether they decide to remain in the class and receive a settlement payment, or choose another option provided in this notice.**

BASIC INFORMATION

1. Why was this notice issued?

A Court authorized this Notice because you have a right to know about a proposed Settlement of a class and representative PAGA action lawsuit, and about all of your options, before the Court decides whether to finally approve the Settlement. This notice explains the lawsuit, the Settlement, your legal rights, the payments that are available, who is eligible to receive them, and how to get them.

The Court in charge of the case is the San Joaquin County Superior Court (“Court”), and the case is known as *Kevin Walters v. UFP Thornton, LLC*, San Joaquin County Superior Court Case No. STK-UOE-2022-0012249 (the “Action”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

2. What is the Lawsuit about?

Plaintiff Kevin Walters (“Plaintiff”) filed a putative class action complaint alleging several wage and hour claims against Defendant, including that Defendant allegedly (i) failed to pay all overtime wages; (ii) failed to pay meal period premiums at the regular rate of compensation; (iii) failed to provide meal periods; (iv) failed to authorize and permit rest periods; (v) failed to issue accurate itemized wage statements; (vi) failed to pay all wages (including but not limited to vacation wages) at termination; (vii) failed to reimburse expenses; and, as a result of the above, (viii) engaged in unlawful business practices. In addition, Plaintiff seeks recovery of civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”). Plaintiff’s attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

Defendant denies all of the claims in the Lawsuit. However, Defendant has agreed to settle the Lawsuit to avoid continued litigation. The Settlement is not an admission of any wrongdoing by Defendant or an indication that any law was violated.

3. What is a class action?

In a class action lawsuit, a Plaintiff who is called a Class Representative sues on behalf of others (called a class or class members) who may have similar claims.

4. **Why is there a Settlement?**

The Court did not decide in favor of the Plaintiff or of the Defendant. Instead, both sides agreed to a settlement of the Lawsuit (“Settlement”). That way, they avoid the cost of further litigation including a trial, and the putative class members will receive money from the Settlement.

5. **Who are the Parties in the Lawsuit?**

Plaintiff Kevin Walters is a former employee of the Defendant. The Defendant is UFP Thornton, LLC.

6. **Who are the Attorneys representing the Plaintiff and the Class?**

ABRAMSON LABOR GROUP Tuvia Korobkin tuvia@abramsonlabor.com Neil M. Larsen neil@abramsonlabor.com 1700 W. Burbank Blvd. Burbank, California 91506 Tel: (213) 723-2522 www.abramsonlaborgroup.com
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You also have the right to hire an attorney (at your own cost) to represent you, or to enter an appearance and represent yourself.

THE TERMS OF THE SETTLEMENT

7. **What is the Settlement Amount?**

The proposed Settlement provides for a Gross Settlement Amount of \$745,000.00 to fully and finally resolve all claims in the Lawsuit. Class Counsel will apply to the Court for attorneys’ fees of up to one-third of the Gross Settlement Amount (currently estimated at \$248,333.33); litigation costs estimated at up to \$20,000; a “Class Representative Enhancement Payment” of up to \$10,000 for the Plaintiff’s work and effort in prosecuting this Lawsuit; settlement administration expenses of up to \$10,000; and \$80,000 designated as PAGA penalties, which will be distributed to the California Labor Workforce and Development Agency (“LWDA”) and to certain Settlement Class Members in settlement of claims for penalties under PAGA. The exact amounts of these payments will be determined by the Court at the Final Approval hearing if the Settlement is approved. Pursuant to the requirements of the PAGA, seventy-five percent (75%) of the PAGA penalties amount, or \$60,000.00, will be paid to the California Labor & Workforce Development Agency (“LWDA”). The remaining \$20,000.00 has been designated as the “PAGA Amount” and will be paid to Settlement Class members who worked during the PAGA Period.

Following the Court-approved deductions, the remaining portion of the Settlement, the Net Settlement Amount (“NSA”), is estimated to be \$376,666.67. Together with the \$20,000.00 PAGA Amount mentioned above, the total amount paid to Settlement Class members is estimated to be \$396,666.67. The NSA will be apportioned and paid

out entirely, automatically, to all “Participating Class Members” who are the Settlement Class Members who have not asked to be excluded from the Settlement. They each will receive an individual “Settlement Award.”

No portion of the Gross Settlement Amount will revert to Defendant under any circumstances.

8. How will the individual Settlement Awards be calculated and how much will my award be?

NSA Distribution: All Participating Class Members (i.e., all Settlement Class members who do not opt out of the Settlement) will receive a payment from the NSA as follows.

1. **Waiting Time Amount.** Fifteen Percent (15%) of the NSA has been designated the “Waiting Time Amount.” All Participating Class Members whose employment with UFP ended at any time from December 29, 2019 until December 11, 2023 (“Waiting Time Period”), will receive an equal share of the Waiting Time Amount.
2. **Wage Statement Amount.** Ten percent (10%) of the NSA has been designated the “Wage Statement Amount.” Each Participating Class Member who was employed by UFP at any time from December 29, 2021 through December 11, 2023 (the “Wage Statement Period”) will receive a pro rata portion of the Wage Statement Amount based on the proportionate number of pay periods that he or she was employed by UFP in California as a non-exempt employee during the Wage Statement Period.
3. **NSA Remainder.** The remaining seventy-five percent (75%) of the NSA (the “NSA Remainder”) will be distributed to all Participating Class Members based on each Participating Class Member’s proportionate number of workweeks they were employed by UFP as a non-exempt employee in California during the Class Period.

PAGA Amount Distribution: In addition to the NSA, \$20,000.00 of the Gross Settlement Amount has been designated as the “PAGA Amount” as described above, and will be allocated to all Settlement Class members (whether or not they opt out) who worked for UFP as a non-exempt employee in California at any time from December 29, 2021 to December 11, 2023 (the “PAGA Period”), in proportion to the number of pay periods that each Settlement Class member was employed by UFP as a non-exempt employee in California during the PAGA Period.

Allocation and Taxes. For tax purposes, Settlement Awards shall be treated as follows: for payments from the PAGA Amount, 100% as penalties; for payments from the NSA, 20% wages (with withholdings taken), and 80% penalties and interest. The Settlement Administrator will issue IRS forms W-2 for all amounts designated as “wages,” and will issue IRS forms 1099 for all amounts designated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the Settlement Awards. The Settlement Administrator, UFP and its counsel, and Plaintiff and Class Counsel cannot provide tax advice.

You should consult with a tax advisor concerning the tax consequences of the Settlement Award you could receive under the Settlement.

Based on UFP’s records, you worked <<number>> Workweeks for UFP during the Class Period, your employment with UFP <<DID/DID NOT>> end between December 29, 2019 and December 11, 2023, and you worked <<number>> pay periods for UFP between December 29, 2021 and December 11, 2023. Therefore, your estimated payment under the Settlement is \$<<amount>>.

If you disagree with any of these data points, you may submit a dispute to the Settlement Administrator. Any dispute must be mailed to Settlement Administrator at [address] postmarked on or before _____, 2024 [45 days from mailing], and must include: the case name and number of the Action; your full name, address, telephone number, last four (4) digits of your Social Security number, and signature; an explanation of why you dispute any of the above data points (for example, the number of workweeks) and what you believe the correct data point (for example, the correct number of workweeks) is; and attach any documentation that supports your position.

HOW TO GET PAYMENT

9. How can I get my individual Settlement Award?

If the Settlement is approved, you do not need to do anything to receive a Settlement Award. If the Court approves the Settlement at a final approval hearing, your Settlement Award will be mailed to the address on file with the Settlement Administrator. **It is your responsibility to keep the Settlement Administrator informed of any change in your address, as your Settlement Award will be mailed to the last known address it has on file for you** if the Court approves the settlement.

10. When can I expect to receive my Settlement Award?

If the Court approves the Settlement, and there are no pending objections, the Gross Settlement Amount will be funded by UFP approximately 90 days after the Court grants final approval of the Settlement. Individual Settlement Awards will be mailed approximately two weeks thereafter. **Your share of the Settlement will be mailed to the address on file for you.** Again, if this address is not correct, or if you move after you receive this Notice, you should notify the Settlement Administrator by mail or by calling the Settlement Administrator at 800-_____.

11. What am I giving up in exchange for my Settlement Award?

Participating Class Members will be giving up or “releasing” the claims described below:

Release of Class Claims: After the Settlement becomes final and the Gross Settlement Amount is funded by UFP, each Participating Settlement Class Member will be bound by the approval and judgment and thereby will release and discharge Defendant and its past, present and/or future, direct and/or indirect, owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, parent companies, subsidiaries, affiliates, successors, and assigns (“Released Parties”) from the “Released Class Claims,” which include all claims and/or causes of action under any state, local, or federal law or administrative regulation against the Released Parties that were alleged in the Action or could have been alleged based on the allegations in the Action, including Article XV, Section 1 of the California Constitution, and including all class claims stated in the Action alleging violations of Labor Code sections 201, 202, 203, 204, 218.6, 226, 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1194, 1198, 2802, 2804, and IWC Wage Order 7, including, inter alia, section 3 and 12, and section 17200 et seq of the California Business and Professions Code, and: all claims for unpaid overtime wages; all claims for the untimely payment of current and final wages; all claims for meal and rest breaks and related premiums; all claims for paid sick leave; all claims for unreimbursed business expenses; all claims for inaccurate wage statements and the failure to keep accurate records; all claims for unpaid vacation and paid time off; and all related claims for unfair competition. The release of the Released Class Claims will extend for the Class Period.

Settlement Class Members who worked for UFP in California during the PAGA Period, and the State of California, will be giving up or “releasing” claims for civil penalties under PAGA, as follows:

Release of PAGA Claims: After the Settlement becomes final and the Gross Settlement Amount is funded by UFP, then Plaintiff, as a representative of the State of California and on behalf of the LWDA and the Settlement Class Members who worked for UFP in California during the PAGA Period, will fully and finally release the Released Parties from the “Released PAGA Claims,” which include all claims and causes of action for PAGA penalties against the Released Parties that were or could have been alleged based on the allegations in the Action, including all claims for PAGA penalties based on alleged violations of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2802, 2804, and IWC Wage Order 7, and all claims for PAGA penalties for the alleged failure to pay overtime wages; for the alleged failure to timely pay current and final wages; for the alleged failure to provide compliant meal and rest breaks and pay related premiums; for the alleged failure to provide paid sick leave; for the alleged failure to provide accurate wage statements and keep accurate records; for the alleged failure to reimburse all business expenses. The release period for the Released PAGA Claims will extend for the duration of the PAGA Period.

EXCLUDING YOURSELF FROM THE CLASS SETTLEMENT

12. Can I exclude myself from the class settlement?

If you do not wish to participate in the class settlement for whatever reason, you can exclude yourself from the class settlement (that is, “opt out” of the Settlement). If you opt out, you keep your right to sue the Defendant for the same claims on an individual basis. However, you cannot opt out of the PAGA portion of the Settlement. To opt out and exclude yourself from the Class and this Settlement so that you do not become a Participating Class Member, you must provide a signed and dated letter to the Administrator requesting to be excluded from the Class. The letter must state in substance:

“I have read and understand the Notice of Settlement of Class and Representative Action and I wish to exclude myself from the Settlement described in the Notice.”

Your letter requesting to exclude yourself must include the case name, *Kevin Walters v. UFP Thornton, LLC*, San Joaquin County Superior Court Case No. STK-UOE-2022-0012249, your full name, current address and telephone number. It must be addressed to the Administrator at [address], postmarked on or before _____, 2024. [45 days from mailing of Notice] Requests for exclusion postmarked after this date will be disregarded.

13. If I don’t exclude myself from the class settlement, can I sue Defendant for the same thing later?

No. Unless you exclude yourself from the class settlement, you give up any right to sue Defendant for the claims that this Settlement resolves.

14. If I exclude myself from the class settlement, can I get money from this settlement?

No, not from the Class Settlement. If you request to be excluded from the Settlement, you will not receive an individual Settlement Award. You also will not be able to object to the Settlement as explained below. Your individual Settlement Award will be redistributed to the Participating Class Members.

However, if you are worked for UFP in California during the PAGA Period, you will receive a payment from the PAGA Amount regardless of whether you exclude yourself from the class settlement.

No portion of the Gross Settlement Amount will go back to Defendant as a result of any person opting out of the Settlement.

OBJECTING TO THE SETTLEMENT

15. How do I object to the Settlement?

If you wish to object to the Settlement, you must not exclude yourself from the class settlement. You can object by submitting a timely written objection to the Administrator. Your objection must state that you object to the proposed Settlement of this case entitled *Kevin Walters v. UFP Thornton, LLC*, San Joaquin County Superior Court Case No. STK-UOE-2022-0012249 (the “Action”). Be sure to include your name, address, email address, telephone number, and signature, and the specific reasons you object to the Settlement. You must mail your written objection to the Administrator at [address], postmarked on or before _____, 2024. [45 days from mailing of Notice Packet] Objections postmarked after this date may be disregarded. If you submit a written objection, you may (but do not need to) appear at the Final Approval Hearing (discussed below) to argue your objection to the Court. Any attorney seeking to represent an objecting Settlement Class member must submit a Notice of Appearance on or before _____, 2024 [45 days from mailing of Notice Packet].

If you have questions regarding this Settlement, you should contact attorneys for Plaintiff and the Class (see Paragraph 6 above) or the Settlement Administrator. Please **DO NOT** contact attorneys for Defendant or any of the Defendant’ managers, supervisors, or owners.

THE COURT’S FINAL FAIRNESS HEARING

16. When and where will the Court decide whether to finally approve the settlement?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 11B of the San Joaquin County Superior Court, located at 180 E. Weber Avenue, Stockton, California 95202. At the Final Approval Hearing, the Court also will be asked to rule on Class Counsel’s request for attorneys’ fees and reimbursement of costs/expenses, the Class Representative Service Award, and the Settlement administration costs. The Final Approval Hearing may be postponed or moved without further notice to the Settlement Class.

17. Do I have to come to the hearing?

No. You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing at their own expense.

GETTING MORE INFORMATION

18. Whom may I contact if I have questions about the settlement?

This Notice is only a summary of the Action and the Settlement. For more information, you may consult the Court’s online Case Management Search tool, located at <https://www.sjcourts.org/case-management-search/>. You may also contact the Settlement Administrator or Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT OR ANY OF THEIR MANAGERS, SUPERVISORS, OWNERS OR ATTORNEYS FOR INFORMATION.

ADDITIONAL IMPORTANT INFORMATION

A. **It is your responsibility to ensure that the Settlement Administrator** has your current mailing address and telephone number on file, as this will be the address to which your Settlement Payment will be sent if the Settlement is approved.

B. **Settlement Award checks should be cashed promptly upon receipt.** Proceeds of checks which remain uncashed after 180 days from the date of issuance will be deposited by the Settlement Administrator with the California Unclaimed Property Fund, in the name of the Settlement Class member whose check is not cashed.. If your Settlement Award check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

REMINDER ABOUT TIME LIMIT

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is _____, 2024 **[45 days from mailing of Notice Packet]**. These deadlines will be strictly enforced.