

Justin F. Marquez (SBN 262417)
justin@wilshirelawfirm.com
Erik Dos Santos (SBN 309998)
edsantos@wilshirelawfirm.com

WILSHIRE LAW FIRM

3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff

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

OCTAVIO AGUSTO ARIAS, individually, and
on behalf of all others similarly situated,

Plaintiff,

v.

THE SHYFT GROUP GTB, LLC AKA
SPARTAN MOTORS GTB, LLC, a limited
liability company; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 22STCV37390

[*Consolidated with Case No. 23STCV08099*]

CLASS ACTION

[*Assigned for all purposes to: Hon. William
Highberger, Dept. 10*]

**DECLARATION OF JUSTIN F. MARQUEZ
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

[*Filed concurrently with: Plaintiff's Notice of
Motion and Motion for Preliminary Approval
of Class Action and PAGA Settlement,
Memorandum of Points and Authorities;
Declaration of Octavio Augusto Arias; and
[Proposed] Order Granting Motion*]

PRELIMINARY APPROVAL HEARING

Date: July 5, 2024

Time: 10:00 a.m.

Dept: 10

Complaint filed: November 29, 2022

Trial date: Not set

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

1. I am admitted, in good standing, to practice as an attorney in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Senior Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiff Octavio Augusto Arias (“Plaintiff”). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement.

2. This is a wage and hour class and Private Attorneys General Act (“PAGA”) (Cal. Lab. Code §§ 2699, *et seq.*) representative action. Plaintiff and putative class members worked in California as hourly-paid or non-exempt employees for Defendant The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC (“Defendant”) during the class period. Defendant designs, manufactures, and assembles specialty vehicles for commercial and recreational industries in the United States and internationally.

4. On November 29, 2022, Plaintiff filed a putative wage-and-hour class action complaint against Defendant for: (1) failure to pay minimum and straight time wages (Labor Code §§ 204, 1194, 1194.2, and 1197); (2) failure to pay overtime wages (Labor Code §§ 1194 and 1198); (3) failure to provide meal periods (Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (Labor Code §§ 226.7 and 512); (5) failure to timely pay final wages at termination (Labor Code §§ 201-203); (6) failure to provide accurate itemized wage statements

(Labor Code § 226); (7) failure to indemnify employees for expenditures (Labor Code § 2802); (8) failure to produce requested employment records (Labor Code §§ 226 and 1198.5); and (9) unfair business practices (Business and Professions Code 17200 et seq.) predicated on these Labor Code violations (the “Class Action”). On December 8, 2022, Plaintiff sent notice to Defendant and the California Labor & Workforce Development Agency (“LWDA”) alleging wage and hour violations pursuant to PAGA (Labor Code §§ 2699, *et seq.*) On April 12, 2023, Plaintiff filed a separate PAGA representative action complaint against Defendant for the alleged wage-and-hour violations pursuant to PAGA (the “PAGA Action”). On August 4, 2023, the Parties stipulated to consolidating the Class Action with the PAGA Action, with the lead case being *Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan motors GTB, LLC*, Case No. 22STCV37390, which the Court granted on August 10, 2023.

DISCOVERY AND INVESTIGATION

5. The Parties exchanged documents and information before mediating this action. Defendant produced time and pay records for class members. Defendant also provided documents of its wage and hour policies and practices during the class period, and information regarding the total number of current and former employees in its informal discovery responses.

6. After reviewing documents regarding Defendant’s wage and hour policies and practices, and analyzing Defendant’s timekeeping and payroll records, Class Counsel was able to evaluate the probability of class certification, success on the merits, and Defendant’s maximum monetary exposure for all claims. Class Counsel also investigated the applicable law regarding the claims and defenses asserted in the Litigation. Class Counsel reviewed these records and utilized an expert to prepare a damages analysis prior to mediation.

SETTLEMENT NEGOTIATIONS

7. On December 22, 2023, the Parties participated in private mediation with experienced class action mediator, Hon. Amy Hogue (Ret.). The mediation was conducted via Zoom. The settlement negotiations were at arm’s length and, although conducted in a professional manner, were adversarial. The Parties went into the mediation willing to explore the potential for a settlement of the dispute, but each side was also prepared to litigate their position through trial

1 and appeal if a settlement had not been reached.

2 8. After extensive negotiations and discussions regarding the strengths and
3 weaknesses of Plaintiff's claims and Defendant's defenses, the Parties were able to reach a
4 resolution, the material terms of which are encompassed within the Settlement Agreement.
5 Attached as **Exhibit 1** is a true and correct copy of the Class Action and PAGA Settlement
6 Agreement and Class Notice ("Settlement Agreement").

7 9. The Parties used the Los Angeles Superior Court's Form Class Action and PAGA
8 Settlement Agreement and Class Notice. A document showing edits the parties made to the
9 template in redline is attached to the Declaration of Justin F. Marquez as **Exhibit 2**.

10 10. Class Counsel submitted the proposed Settlement to the LWDA before filing the
11 Motion for Preliminary Approval.

12 11. I requested several bids from experienced class action settlement administrators to
13 handle the responsibilities of the Settlement Administrator under this Settlement. The Parties
14 accepted the bid of Phoenix Class Action Administration Solutions ("Phoenix"). Phoenix has
15 multiple years of experience in the field of Class Action Administration, particularly in the wage-
16 and-hour arena. In its bid, Phoenix agreed to cap its costs at \$8,000.00 if there are 180 class
17 members. Phoenix's bid also accounts for Notice in English and Spanish. A true and correct copy
18 of the bid is attached hereto as **Exhibit 3**.

19 12. Plaintiff does not have any interest, financial or otherwise, in the proposed third-
20 party administrator, Phoenix.

21 13. No one at Wilshire Law Firm, PLC (meaning the law firm itself and anyone
22 employed at the law firm) has any interest, financial or otherwise, in the proposed third-party
23 administrator, Phoenix.

24 14. Wilshire Law Firm, PLC has no fee-splitting agreement with any other counsel in
25 this case.

26 15. Class Counsel is not aware of any other pending matter or action asserting claims
27 that will be extinguished or affected by the Settlement.

28 ///

1 THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

2 16. Class Counsel has conducted a thorough investigation into the facts of this case.
3 Based on the foregoing discovery and their own independent investigation and evaluation, Class
4 Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best
5 interests of the Settlement Class Members in light of all known facts and circumstances, the risk
6 of significant delay, the defenses that could be asserted by Defendant both to certification and on
7 the merits, trial risk, and appellate risk.

8 17. Based on an analysis of the facts and legal contentions in this case, documents and
9 information from Defendant, I evaluated Defendant's maximum exposure. I took into account the
10 risk of not having the claims certified and the risk of not prevailing at trial, even if the claims are
11 certified. After using the data Defendant provided, including class member timekeeping and
12 payroll records, as well as class member demographics (i.e., the number of class members,
13 workweeks, and average total compensation of the class), with the assistance of a statistics expert,
14 I created a damages model to evaluate the realistic range of potential recovery for the class. The
15 damages model is based on the following benchmarks:

16 Total Class Members: 148
17 Terminated Class Members during 3-year statute:
18 Total Workweeks: 14,104
19 Total Shifts Worked by the Class: 66,616
20 PAGA Pay Periods: 2,102
21 PAGA Eligible Employees: 79
22 Avg. Hourly Rate: \$16.55

23 18. Based on Plaintiff's discovery and investigation, Class Counsel reached the
24 conclusion that Defendant failed to pay class members for all hours worked, including overtime
25 wages, Defendant had a policy and practice of not providing its employees with California
26 compliant meal and rest periods which it did not pay appropriate premiums for, and Defendant
27 required its employees to work "off-the-clock" prior to clocking in for the workday, during meal
28 periods, and after clocking out for the workday, time which it did not pay for, and Defendant failed

1 to reimburse its employees for business-related expenses. Defendant denies these claims.

2 19. Plaintiff further alleges that Defendant failed to pay for all hours worked, including
3 minimum wages, straight time wages, and overtime wages, by requiring class members to work
4 off-the-clock, unpaid. For purposes of calculating Defendant's liability based on a best-case
5 scenario for Plaintiff and the Class, I estimate that Defendant's maximum potential exposure by
6 assuming that all unpaid work time should have been paid at the overtime rate, not minimum or
7 straight time wages, and I assumed that Defendant is liable for 1 hour of unpaid worktime per
8 week. This results in an estimate of \$350,131.80 (14,104 workweeks * \$16.55 hourly overtime
9 rate * 1.5 overtime rate * 1 hour of unpaid work per week), but I discounted this figure by 80% to
10 account for the difficulty of prevailing on a motion for class certification and a trial on the merits
11 because liability depends on whether Defendant knew or should have known that class members
12 were working off-the-clock, yielding a realistic damage estimate of \$70,026.36.

13 20. With respect to the meal period claim, Plaintiff alleges that Defendant required him
14 and similarly situated class members to either work in lieu of taking meal periods, or their meal
15 periods were untimely or interrupted. My expert analyzed Defendant's timekeeping records and
16 opined that approximately 30% of all meal breaks (19,985 shifts) had violations of short, missed,
17 or no meal periods. Potential liability for the meal period claim is \$330,751.75 (19,985 * \$16.55).
18 I further discounted this figure by 80% to account for the difficulty of certifying and proving meal
19 period claims, as well as Defendant's contention that the claim lacks merit, particularly in light of
20 its numerous meal period premium payments, yielding a realistic damage estimate of \$66,150.35.

21 21. With respect to the rest period claim, Plaintiff alleges that Defendant required him
22 and similarly situated class members to work in lieu of taking rest periods, or their rest periods
23 were untimely or interrupted. Assuming a 50% violation rate for the class period based on
24 Plaintiff's and other class members' experience working for Defendant, Defendant's potential
25 liability for the rest period claim is \$551,247.40 (66,616 shifts * 0.5 * \$16.55); however, I
26 discounted this figure by 80% to account for the difficulty of certifying and proving rest period
27 claims, particularly because rest periods do not have to be recorded, and to account for the
28 possibility of class members voluntarily choosing to forego a rest period, yielding a realistic

1 damage estimate of \$110,249.48.

2 22. Plaintiff alleges that Defendant failed to reimburse necessary business expenses.
3 Defendant's employees (including Plaintiff) were frequently required to use their personal cell
4 phones to communicate with their supervisors and managers about work-related duties. This
5 included communication regarding their schedules and/or the following day's or week's tasks. For
6 purposes of calculating Defendant's liability based on a best case scenario for Plaintiff and the
7 Class, I estimated that Defendant was liable to each class member for \$40 per month in
8 unreimbursed expenses, for a total amount of \$213,120.00 ($\$40 * 36 \text{ months} * 148$); however, I
9 discounted this figure by 80% to account for the difficulty of certifying and proving expense
10 reimbursement claims, particularly in light of written policies and practices providing a mechanism
11 for class member's to seek reimbursement, yielding a realistic damage estimate of \$42,624.00.

12 23. In sum, I estimated that Plaintiff's maximum recovery for the off-the-clock claim,
13 meal period violations, rest period violations, and failure to reimburse expenses is \$1,445,250.95,
14 but, after factoring in the risk and uncertainty of prevailing at certification and trial, I estimate that
15 Plaintiff's realistic estimated recovery for the non-penalty claims is \$289,050.19.

16 24. With respect to Plaintiff's derivative claims for statutory and civil penalties,
17 Plaintiff estimated that Defendant's realistic potential liability is \$163,317.00. While Defendant's
18 maximum potential liability for waiting time penalties is \$392,235.00 based on approximately 79
19 terminated class members during the 3-year statute ($79 * \$16.55 * 10 \text{ hours} * 30 \text{ days}$), \$214,150.00
20 for inaccurate wage statements based on approximately 79 class members who worked 2,181 pay
21 periods within the 1-year statute, and \$210,200.00 for PAGA violations based on the Court
22 assessing a \$100 penalty for initial violations for all 2,102 pay periods within the 1-year statute, I
23 believe that it would be unrealistic to expect the Court to award the full \$818,585.00 in penalties
24 given Defendant's defenses, the contested nature of Plaintiff's claims, and the discretionary nature
25 of penalties. Considering that the underlying claims are realistically estimated to be \$289,050.19,
26 such a disproportionate award would also raise due process concerns. Weighing these factors and
27 applying a discount of 80% to account for the risk and uncertainty of prevailing at trial, I arrived
28 at \$163,317.00 for statutory and civil penalties.

1 25. Using these estimated figures, Plaintiff predicted that the realistic maximum
2 recovery for all claims, including penalties, would be **\$452,367.19**. This means that the
3 \$325,000.00 settlement figure represents 72% of the realistic maximum recovery ($\$325,000.00 /$
4 $\$452,367.19 = 71.8\%$). Considering the risk and uncertainty of prevailing at class certification and
5 at trial, this is an excellent result for the Class.¹ Indeed, because of the proposed Settlement, class
6 members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

7 26. While Plaintiff is confident in the merits of his claims, a legitimate controversy
8 exists as to each cause of action. Plaintiff also recognizes that proving the amount of wages due
9 to each Class Member would be an expensive, time-consuming, and uncertain proposition.

10 27. This Settlement avoids the risks and the accompanying expense of further litigation.
11 Although the Parties had engaged in a significant amount of investigation, informal discovery and
12 class-wide data analysis, the Parties had not yet completed formal written discovery. Plaintiff
13 intended to depose corporate officers and managers of Defendant. Moreover, preparation for class
14 certification and a trial remained for the Parties as well as the prospect of appeals in the wake of a
15 disputed class certification ruling for Plaintiff and/or adverse summary judgment ruling. Had the
16 Court certified any claims, Defendant could move to decertify the claims. As a result, the Parties
17 would incur considerably more attorneys' fees and costs through trial.

18 28. The Net Settlement Amount available for Class Member settlement payments is
19 estimated to be \$153,333.33, for a class of 148 persons.² As a result, each Settlement Class
20 Member is eligible to receive an average net benefit of approximately \$1,036.03.

21 29. The proposed Settlement of \$325,000.00, therefore, represents a substantial

22
23 ¹ See, e.g., *Wise v. Ulta Salon, Cosmetics & Fragrance, Inc.* (E.D. Cal. Aug. 21, 2019)
24 2019 WL 3943859 at *8 (granting preliminary approval where the proposed allocation to settle
25 class claims was between 9.53 percent of Plaintiffs' maximum recovery); *Bravo v. Gale*
26 *Triangle, Inc.* (C.D. Cal. Feb 16, 2017) 2017 WL 708766 at * 10 (finding that "a settlement for
fourteen percent recovery of Plaintiffs' maximum recovery is reasonable"); *In re Omnivision*
Techs., Inc. (N.D. Cal. 2008) 559 F.Supp.2d 1036, 1042 (approving settlement amount that "is
just over 9% of the maximum potential recovery asserted by either party.").

27 ² The Net Settlement Amount is: \$325,000.00 minus \$106,666.67 for Class Counsel's
28 attorneys' fees, minus \$20,000.00 for Class Counsel's litigation expenses, minus \$10,000.00 in
administration costs, minus \$20,000.00 for the PAGA payment, minus \$10,000.00 for the class
representative service award to Plaintiff, and minus \$5,000 as Plaintiff's individual settlement.

1 recovery when compared to Plaintiff's reasonably forecasted recovery. When considering the risks
2 of litigation, the uncertainties involved in achieving class certification, the burdens of proof
3 necessary to establish liability, the probability of appeal of a favorable judgment, it is clear that the
4 settlement amount of \$325,000.00 is within the "ballpark" of reasonableness, and preliminary
5 settlement approval is appropriate.

6 ENHANCEMENT AWARD FOR PLAINTIFF IS REASONABLE

7 30. Class Counsel represent that Plaintiff devoted a great deal of time and work assisting
8 counsel in the case, communicated with counsel very frequently for litigation and to prepare for
9 mediation, and was frequently in contact with Class Counsel during the mediation. Plaintiff's
10 requested enhancement award is reasonable particularly in light of the substantial benefits Plaintiff
11 generated for all class members.

12 31. Throughout this Litigation, Plaintiff, who is a former employee of Defendant, has
13 cooperated immensely with my office and has taken many actions to protect the interests of the
14 class. Plaintiff provided valuable information regarding the off-the-clock, meal period, and rest
15 period claims. Plaintiff also informed my office of developments and information relevant to this
16 action, participated in decisions concerning this action, made himself available to answer questions
17 during the mediation, and provided my office with the names and contact information of potential
18 witnesses in this action. Before we filed this case, Plaintiff provided my office with documents
19 regarding the claims alleged in this action. The information and documentation provided by
20 Plaintiff was instrumental in establishing the wage and hour violations alleged in this action, and
21 the recovery provided for in the Settlement Agreement would have been impossible to obtain
22 without Plaintiff's participation.

23 32. At the same time, Plaintiff faced many risks in adding himself as the class
24 representative in this matter. Plaintiff faced actual risks with his future employment, as putting
25 himself on public record in an employment lawsuit could also very well affect his likelihood for
26 future employment. Furthermore, as part of this Settlement, Plaintiff is executing a general release
27 of all claims against Defendant.

28 33. In turn, class members will now have the opportunity to participate in a settlement,

1 reimbursing them for alleged wage violations they may have never known about on their own or
2 been willing to pursue on their own. If these class members would have each tried to pursue their
3 legal remedies on their own, that would have resulted in each having to expend a significant amount
4 of their own monetary resources and time, which were obviated by Plaintiff putting himself on the
5 line on behalf of these other class members.

6 34. In the final analysis, this class action would not have been possible without the aid
7 of Plaintiff, who put his own time and effort into this Litigation, sacrificed the value of his own
8 individual claims, and placed himself at risk for the sake of the class members. The requested
9 enhancement award for Plaintiff for his service as the class representative and for his general
10 release of all individual claims is a relatively small amount of money when the time and effort put
11 into the Litigation are considered and in comparison to enhancements granted in other class actions.
12 The requested incentive award is therefore reasonable to compensate Plaintiff for his active
13 participation in this lawsuit. Indeed, in *Karl Adams, III, et al. v. MarketStar Corporation*, et al.,
14 No. 2:14-cv-02509-TLN-DB, a wage and hour class action alleging that class members were
15 misclassified as exempt outside salespersons, I was co-lead Class Counsel and helped negotiate a
16 \$2.5 million class action settlement for 339 class members, and the court approved a \$25,000.00
17 class representative incentive award for each named Plaintiff.

18 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

19 35. The Settlement provides for attorney's fees payable to Class Counsel in an amount
20 up to one-third (33 1/3%) of the Settlement Amount, for a maximum fees award of \$106,666.67,
21 plus actual costs and expenses not to exceed \$20,000.00. The proposed award of attorneys' fees
22 to Class Counsel in this case can be justified under either method – lodestar or percentage recovery.
23 Class Counsel, however, intend to base the proposed award of fees, costs and expenses on the
24 percentage method as many of the entries in the time records will have to be redacted to preserve
25 attorney-client and attorney work product privileges.

26 36. I am informed and believe that the fee and costs provision is reasonable. The fee
27 percentage requested is less than that charged by my office for most employment cases. My office
28 invested significant time and resources into the case, with payment deferred to the end of the case,

1 and then, of course, contingent on the outcome.

2 37. It is further estimated that my office will need to expend at least another 50 to 100
3 hours to monitor the process leading up to the final approval and payments made to the class. My
4 office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

5 38. The risk to my office has been very significant, particularly if we would not be
6 successful in pursuing this class action. In that case, we would have been left with no compensation
7 for all the time taken in litigating this case. Indeed, I have taken on a number of class action cases
8 that have resulted in thousands of attorney hours being expended and ultimately having
9 certification denied or the defendant company going bankrupt. The contingent risk in these types
10 of cases is very real and they do occur regularly. Furthermore, we were precluded from focusing
11 on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

12 39. Because most individuals cannot afford to pay for representation in litigation on an
13 hourly basis, Wilshire Law Firm, PLC represents virtually all of its employment law clients on a
14 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless
15 we prevail at trial or successfully settle our clients' cases. Because Wilshire Law Firm, PLC is
16 taking the risk that we will not be reimbursed for our time unless our client settles or wins his or
17 her case, we cannot afford to represent an individual employee on a contingency basis if, at the
18 end of our representation, all we are to receive is our regular hourly rate for services. It is essential
19 that we recover more than our regular hourly rate when we win if we are to remain in practice so
20 as to be able to continue representing other individuals in civil rights employment disputes.

21 MY EXPERIENCE AND QUALIFICATIONS

22 40. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World
23 Report as one of the nation's Best Law Firms for every year since 2020 and is comprised of over
24 70 attorneys and over 500 employees. Wilshire Law Firm, PLC is actively and continuously
25 practicing in employment litigation, representing employees in both individual and class actions
26 in both state and federal courts throughout California.

27 41. Wilshire Law Firm, PLC is qualified to handle this Litigation because its attorneys
28 are experienced in litigating Labor Code violations in both individual, class action, and

1 representative action cases. Wilshire Law Firm, PLC has handled, and is currently handling,
2 numerous wage and hour class action lawsuits, as well as class actions involving consumer rights
3 and data privacy litigation.

4 42. I graduated from the University of California, Los Angeles's College Honors
5 Program in 2004 with Bachelor of Arts degrees in History and Japanese, *magna cum laude* and *Phi*
6 *Beta Kappa*. As an undergraduate, I also received a scholarship to study abroad for one year at
7 Tokyo University in Tokyo, Japan. I received my Juris Doctor from Notre Dame Law School in
8 2008.

9 43. My practice is focused on advocating for the rights of consumers and employees in
10 class action litigation and appellate litigation. I am currently the primary attorney in charge of
11 litigating several class action cases in state and federal courts across the United States.

12 44. I have received numerous awards for my legal work. From 2017 to 2020, Super
13 Lawyers selected me as a "Southern California Rising Star," and from 2022 to 2024, I was selected
14 as a "Southern California Super Lawyer." I was selected as one of the "Best Lawyers in America"
15 in 2023 and 2024. In 2016 and 2017, the National Trial Lawyers selected me as a "Top 40 Under
16 40" attorney. I am also rated 10.0 ("Superb") by Avvo.com.

17 45. I am on the California Employment Lawyers Association ("CELA")'s Wage and
18 Hour Committee and Mentor Committee, and I was selected to speak at CELA's 2019 Advanced
19 Wage & Hour Seminar on the topic of manageability of class actions and at CELA's 2024
20 Advanced Wage & Hour Seminar on the topic of multiple cases against the same defendant. Since
21 2013, I have actively mentored young attorneys through CELA's mentorship program.

22 46. I am also a past member of the Consumer Attorneys of California ("CAOC"). In
23 2020, I was selected for a position on CAOC's Board of Directors. I am also a past member of
24 CAOC's Diversity Committee, and I helped assist the CAOC in defeating bills that harm
25 employees. Indeed, I recently helped assist Jacqueline Serna, Esq., Legislative Counsel for CAOC,
26 in defeating AB 443, which proposed legislation that sought to limit the enforceability of California
27 Labor Code § 226.

28 47. As the attorney responsible for day-to-day management of this matter at the

1 Wilshire Law Firm, PLC, I have over fourteen years of experience with litigating wage and hour
2 class actions. Over the last fourteen years, I have managed and assisted with the litigation and
3 settlement of several wage and hour class actions. In those class actions, I performed similar tasks
4 as those performed in the course of prosecuting this action. My litigation experience includes:

- 5 a. I served as lead or co-lead in negotiating class action settlements worth over \$10
6 million in gross recovery to class members for each year since 2020, including over
7 \$37.5 million in 2022 and over \$75 million in 2023.
- 8 b. I lead a team of attorneys that successfully obtained class certification of meal
9 period, rest period, and related derivative claims on April 5, 2024 in *Aguilar-Flores*
10 *v. Javier's CC LLC*, Los Angeles Superior Court No. 19STCV36438 (Hon. Elihu
11 M. Berle).
- 12 c. I was part of the team of attorneys that prevailed in *Moore v. Centrelake Medical*
13 *Group, Inc.* (2022) 83 Cal.App.5th 515, the first California appellate decision in a
14 data breach class action holding that consumer plaintiffs adequately alleged injury
15 in fact under the benefit of the bargain theory and monitoring-costs theory.
- 16 d. In 2022, Top Verdict recognized Wilshire Law Firm and myself for having one case
17 in the Top 20 Labor & Employment Settlements (including number 19 for the \$4.1
18 million settlement in The FPI Management Wage and Hour Cases) and four
19 additional cases in the Top 50 Labor & Employment Settlements (numbers 36, 39,
20 41, and 49).
- 21 e. In 2021, Top Verdict recognized Wilshire Law Firm and myself for having one case
22 in the Top 20 Labor & Employment Settlements (including number 19 for the \$1.6
23 million settlement in *Moreno v. Pretium Packaging, L.L.C*) and four additional
24 cases in the Top 50 Labor & Employment Settlements (numbers 27, 30, 33, and 37).
- 25 f. To my knowledge, I am the only attorney to appear on each of the following Top
26 Verdict lists for 2018 in California: Top 20 Civil Rights Violation Verdicts, Top 20
27 Labor & Employment Settlements, and Top 50 Class Action Settlements.
- 28 g. As lead counsel, on April 29, 2021, I prevailed against CVS Pharmacy, Inc. by

1 winning class certification on behalf of hundreds of thousands of consumers for
2 misleading advertising claims in *Joseph Mier v. CVS Pharmacy, Inc.*, U.S. Dist. Ct.
3 C.D. Cal. no. SA CV 20-1979-DOC-(ADSx).

4 h. As lead counsel, I prevailed against Bank of America by: winning class certification
5 on behalf of thousands of employees for California Labor Code violations; defeating
6 appellate review of the court’s order certifying the class; defeating summary
7 judgment; and defeating a motion to dismiss. (*Frausto v. Bank of America, N.A.*
8 (N.D. Cal. 2019) 334 F.R.D. 192, 2020 WL 1290302 (9th Cir. Feb. 27, 2020), 2019
9 WL 5626640 (N.D. Cal. Oct. 31, 2019), 2018 W.L. 3659251 (N.D. Cal. Aug. 2,
10 2018)). The decision certifying the class in *Frausto* is also discussed in Class
11 Certification Under Fed. R. Civ. P. 23 in Action by Information Technology or Call
12 Center Employees for Violation of State Law Wage and Hour Rules, 35 A.L.R. Fed.
13 3d Art. 8.

14 i. I was the primary author of the class certification and expert briefs in *ABM*
15 *Industries Overtime Cases* (2017) 19 Cal.App.5th 277, a wage and hour class action
16 for over 40,000 class members for off-the-clock, meal period, split shift, and
17 reimbursement claims. *ABM Industries Overtime Cases* is the first published
18 California appellate authority to hold that an employer’s “auto-deduct policy for
19 meal breaks in light of the recordkeeping requirements for California employers is
20 also an issue amenable to classwide resolution.” (*Id.* at p. 310.)³ Notably, the Court
21 of Appeal also held that expert analysis of timekeeping records can also support the
22 predominance requirement for class certification. (*Id.* at p. 310-11.) In 2021, the
23 case settled for \$140 million, making it one of the largest ever wage and hour class
24 action settlements for hourly-paid employees in California.

25 j. I briefed, argued, and won *Yocupicio v. PAE Group, LLC* (9th Cir. 2015) 795 F.3d

26
27 ³ As a California district court observed before the *ABM Industries Overtime* decision,
28 “[t]he case law regarding certification of auto-deduct classes is mixed.” (*Wilson v. TE*
Connectivity Networks, Inc. (N.D. Cal. Feb. 9, 2017) No. 14-CV-04872-EDL, 2017 WL
1758048, *7.)

1057. The Ninth Circuit ruled in my client’s favor and held that non-class claims under California’s Private Attorney Generals Act (“PAGA”) cannot be used to calculate the amount in controversy under the Class Action Fairness Act (“CAFA”). This case is cited in several leading treatises such as Wright & Miller’s Federal Practice & Procedure, and Newberg on Class Actions. In October 2016, the U.S. Supreme Court denied review of a case that primarily concerned *Yocupicio*. That effort was led by Theodore J. Boutrous, who brought the cert petition, with amicus support from a brief authored by Andrew J. Pincus.⁴ Considering that leading Supreme Court practitioners from the class action defense bar were very motivated in undermining *Yocupicio* case, but failed, this demonstrates the national importance of the *Yocupicio* decision.

- k. On December 13, 2018, the United States District Court granted final approval of the \$2,500,000 class action settlement in *Mark Brulee, et al. v. DAL Global Services, LLC* (C.D. Cal. Dec. 13, 2018) No. CV 17-6433 JVS(JCGx), 2018 WL 6616659 in which I served as lead counsel. In doing so, the Court found: “Class Counsel’s declarations show that the attorneys are experienced and successful litigators.” (*Id.* at p. *10.)
- l. *Gasio v. Target Corp.* (C.D. Cal. Sep. 12, 2014) 2014 U.S. Dist. LEXIS 129852, a reported decision permitting class-wide discovery even though the employer has a lawful policy because “[t]he fact that a company has a policy of not violating the law does not mean that the employees follow it, which is the issue here.” The court also ordered defendant to pay for the cost of *Belaire-West* notice.
- m. In 2013, I represented a whistleblower that reported that his former employer was defrauding the State of California with the help of bribes to public employees. The case, a false claims (qui tam) action, resulted in the arrest and criminal prosecution of State of California employees by the California Attorney General’s Office.

⁴ <http://www.chamberlitigation.com/cases/abm-industries-inc-v-castro>.

1 n. In 2013, I was part of a team of attorneys that obtained conditional certification for
2 over 2,000,000 class members in a federal labor law case for misclassification of
3 independent contractors that did crowdsourced work on the Internet, *Otey v.*
4 *CrowdFlower, Inc.*, N.D. Cal. Case No. 12-cv-05524-JST (MEJ), resulting in the
5 following pro-plaintiff reported decisions:

6 i. 2013 U.S. Dist. LEXIS 151846 (N.D. Cal. Oct. 22, 2013) (holding that an
7 unaccepted Rule 68 offer doesn't moot plaintiff's claims, and granting
8 plaintiff's motion to strike defendant's affirmative defenses based on
9 *Twombly/Iqbal*).

10 ii. 2013 U.S. Dist. LEXIS 122007 (N.D. Cal. Aug. 27, 2013) (order granting
11 conditional collective certification).

12 iii. 2013 U.S. Dist. LEXIS 95687 (N.D. Cal. July 8, 2013) (affirming the
13 magistrate judge's discovery ruling which held that "evidence of other
14 sources of income is irrelevant to the question of whether a plaintiff is an
15 employee within the meaning of the FLSA").

16 iv. 2013 U.S. Dist. LEXIS 91771 (N.D. Cal. June 20, 2013) (granting broad
17 discovery because "an FLSA plaintiff is entitled to discovery from locations
18 where he never worked if he can provide some evidence to indicate
19 company-wide violations").

20 o. From 2012 to 2013, I was part of a team of attorneys that obtained class certification
21 for over 60,000 class members for off-the-clock claims, *Linares v. Securitas*
22 *Security Services USA, Inc.*, Los Angeles Superior Court No. BC416555. We also
23 successfully opposed subsequent appeals to the California Court of Appeal and
24 California Supreme Court.

25 48. My current contingent billing rate of \$1,500.00 per hour is consistent with my actual
26 billing rate for paid legal industry consulting services, my practice area, lead appellate experience
27 in the Ninth Circuit Court of Appeals, numerous awards received, legal market and accepted hourly
28 rates:

- 1 a. I have been paid for legal industry consulting services at \$1,500 per hour by
2 Gerson Lehrman Group (GLG), a company that provides financial information
3 and advises investors and consultants with business clients seeking expert advice.
4 GLG is one of the largest companies that provides expert consulting services.
5 GLG's clients include corporations, hedge funds, private equity firms, and
6 consulting firms. I have worked with GLG on numerous occasions at a rate of
7 \$1,500 per hour, including on three recent occasions in October and November of
8 2023.
- 9 b. On January 11, 2024, the Hon. Laurel Beeler of the United States District Court,
10 Northern District of California approved my \$1,500 hourly rate when she
11 granted final approval of the class action settlement in *Suarez v. Bank of*
12 *America, N.A.* (N.D. Cal. Jan. 11, 2024), No. 18-cv-01202-LB, 2024
13 WL150721, *3 ("As for the lodestar cross-check, the billing rates are normal
14 and customary for timekeepers with similar qualifications and experience in the
15 relevant market.")
- 16 c. My \$1,500 hourly rate was approved by many California state courts:
- 17 i. On December 8, 2023, the Hon. Marcella O. McLaughlin of the San Diego
18 County Superior Court approved my \$1,500 hourly rate when she granted
19 final approval of the class action settlement in *Payabyab v. Bridge*
20 *Hospice, LLC*, Case No. 7-2021-00046218-CU-OE-CTL.
- 21 ii. On January 11, 2024, the Hon. Harold Hopp of the Riverside County
22 Superior Court approved my \$1,500 hourly rate when he granted final
23 approval of the class action settlement in *Gutierrez v. Next Level Door &*
24 *Millwork, Inc.*, Case No. CVRI2105455.
- 25 iii. On January 19, 2024, the Hon. Lauri A. Damrell of the Sacramento County
26 Superior Court approved my \$1,500 hourly rate when she granted final
27 approval of the class action settlement in *Sunshine Retirement Wage and*
28 *Hour Cases*, Case No. JCCP 5247.

- iv. On January 26, 2024, the Hon. Loren G. Freestone of the San Diego Superior Court approved my \$1,500 hourly rate when he granted final approval of the class action settlement in *Lupercio v. Western CNC, Inc.*, Case No. 37-2021-00010314-CU-OE-CTL.
- v. On February 1, 2024, the Hon. Joseph T. Ortiz of the San Bernardino Court approved by \$1,500 hourly rate when he granted final approval of the class action settlement in *Jackson, et al. v. Apple Valley Communications, Inc.*, et al., Case No. CIVSB2124721.
- vi. On February 2, 2024, the Hon. Harold Hopp of the Riverside County Superior Court approved by \$1,500 hourly rate when he granted final approval of the class action settlement in *Barrera v. Paradise Chevrolet Cadillac*, Case No. CVSW2107199.
- vii. On January 11, 2024, the Hon. Harold Hopp of the Riverside County Superior Court approved my \$1,500 hourly rate when he granted final approval of the class action settlement in *Gutierrez v. Next Level Door & Millwork, Inc.*, No. CVRI2105455.
- d. On May 6, 2022, the Hon. Jay A. Garcia-Gregory of the United States District Court in Puerto Rico approved my \$850 hourly rate when he granted final approval of the class action settlement in *Serrano v. Inmediata Corp.*, No. 3:19-cv-01811-JAG, Dkt. 57 (U.S. Dist. Ct. P.R. May 6, 2022).
- e. On September 9, 2021, the Hon. Peter Wilson of the Orange County Superior Court approved my \$800 hourly rate when he granted final approval of the class action settlement in *Ricardo Campos Hernandez v. Adams Iron Co., Inc.*, No. 30-2019-01066522-CU-OE-CXC.
- f. On August 6, 2021, the Hon. Stanley Blumenfeld, Jr. of the United States District Court granted final approval of the \$1,600,000 class action settlement in *Carlos Moreno v. Pretium Packaging, Inc.* (C.D. Cal. Aug. 6, 2021) No. 8:19-cv-02500-SB-DFM, 2021 WL 3673845 in which I served as lead counsel. In doing so, the

1 Court approved my then \$750 hourly rate after finding it was “reasonable, given the
2 qualifications of the attorneys who worked on this matter.” (*Id.* at p. *3.)

3 g. On January 19, 2021, the Hon. Elihu M. Berle of the Los Angeles County Superior
4 Court approved my \$750 hourly rate when he granted final approval of the class
5 action settlement in *Faye Zhang v. Richemont North America, Inc.*, Case No.
6 19STCV32396.

7 49. The reasonableness of my firm’s hourly rates is also supported by several surveys
8 of legal rates, including the following:

9 a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents
10 the real market rates of Los Angeles area attorneys who practice litigation. For
11 that category, the third quartile 2022 rate was \$1,045 per hour for partners and
12 \$855 for associates. Likewise, page 32 of the Report describes the rates charged
13 by 183 Los Angeles partners with “21 or more years of experience” and “Fewer
14 than 21 years.” For those categories, the third quartile Los Angeles partner rate in
15 2022 were \$1,133 per hour for 21 or more years and \$1,075 for attorneys with
16 fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate
17 Report is attached hereto as **Exhibit 4**.

18 b. In an article entitled “Big Law Rates Topping \$2,000 Leave Value ‘In Eye of
19 Beholder,’” written by Roy Strom and published by Bloomberg Law on June 9,
20 2022, the author describes how Big Law firms have crossed the \$2,000-per hour
21 rate. The article also notes that law firm rates have been increasing by just under
22 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 5**.

23 50. Erik A. Dos Santos is a Senior Associate Attorney at Wilshire Law Firm. He is
24 presently admitted to practice in all state courts of California (admitted in 2016) and before all
25 federal district courts in California. He graduated from UCLA School of Law, and attended
26 Arizona State University for his undergraduate studies, where he obtained a Bachelor of Arts in
27 Political Science with a Minor in Global Health. He has over 7 years of litigation experience,
28 which includes the successful handling of numerous employment, wage and hour, and class and

1 representative action matters. Prior to joining Wilshire Law Firm in December 2023, Mr. Dos
2 Santos gained invaluable litigation experience working at other Plaintiff's firms. Mr. Dos Santos
3 is an active member of CELA and CASD. His current contingent billing rate for this case is
4 \$800.00 per hour, as most recently approved in comparable wage and hour matters and consistent
5 with his level of experience.

6 51. Bradford Smith is a Law and Motion Attorney at Wilshire Law Firm. He graduated
7 from the University of California, Irvine with a Bachelor of Arts in History and received his Juris
8 Doctor from Loyola Law School, Los Angeles in 2022. He was admitted to practice law in the
9 State of California in 2022. Before joining Wilshire Law Firm, he worked at a law firm
10 specializing in insurance defense litigation. His focus now is on wage and hour class action
11 litigation. His current contingent billing rate for this case is \$450 per hour.

12 I declare under penalty of perjury under the laws of the State of California and the United
13 States that the foregoing is true and correct.

14 Executed on April 23, 2024, at Los Angeles, California.

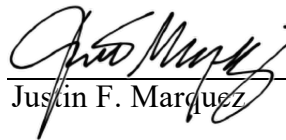
15
16 
17 Justin F. Marquez
18
19
20
21
22
23
24
25
26
27
28

Exhibit 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between the Parties to the actions entitled Octavio Augusto Arias (“Plaintiff”) v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC (“Defendant”), case numbers 22STCV37390 (the “Class Matter”) and 23STCV08099 (the “PAGA Matter”) (the Class Matter and the PAGA Matter are referred to as the “Arias Matters”), and also encompass any individual claims that Plaintiff could have alleged against Defendant in his individual capacity including, but not limited to, Plaintiff’s administrative charge filed with the California Civil Rights Department on November 29, 2022 (the “Administrative Charge”). Plaintiff and Defendant are collectively referred to herein as the “Parties.”

1. DEFINITIONS.

- 1.1. “Action” means Plaintiff’s administrative charge against Defendant in his individual capacity and the Arias matters, captioned (1) *Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC*, Los Angeles County Superior Court, Case No. 22STCV37390, or the Class Matter, initiated on November 29, 2022; and (2) *Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC*, Los Angeles County Superior Court, Case No. 23STCV08099, or the PAGA Matter, initiated on April 12, 2023, under Labor Code section 2699, *et seq.*
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means a person employed by Defendant in California and classified as a non-exempt employee during the PAGA Period.
- 1.5. “Aggrieved Employee Payment” means the 25% of the PAGA Penalties paid to the Aggrieved Employees under Labor Code section 2699, subd. (i).
- 1.6. “Class” means a person employed by Defendant in California and classified as a non-exempt employee during the Class Period.
- 1.7. “Class Counsel” means Justin F. Marquez, Christina M. Le, and Zachary D. Greenberg of Wilshire Law Firm, PLC.

- 1.8. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Arias Matters.
- 1.9. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.10. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.11. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member’s mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS AND PAGA ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from June 12, 2019 to April 10, 2023.
- 1.13. “Class Representative” means the named Plaintiff in the Arias Matters (Octavio Augusto Arias) seeking Court approval to serve as Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County Los Angeles.
- 1.16. “Defendant” means The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC.
- 1.17. “Defense Counsel” means Shareef Farag and Kerri Sakaue of Baker & Hostetler LLP.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or

if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means \$325,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 3.2.6 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, Individual Settlement Amount and the Administrator’s Expenses.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of the Aggrieved Employee Payment calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.27. “Net Settlement Amount” means the Gross Settlement Amount, less the Individual Settlement Amount and the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.28. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.29. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee actually worked for Defendant for at least one day during the PAGA Period.

- 1.30. “PAGA Period” means the period from November 29, 2021 to April 10, 2023.
- 1.31. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.32. “PAGA Notice” means Plaintiff’s December 8, 2022, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.33. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$5,000.00) and the 75% to LWDA (\$15,000.00) in settlement of PAGA claims.
- 1.34. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.35. “Plaintiff” means Octavio Augusto Arias.
- 1.36. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.37. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.38. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.39. “Released PAGA Claims” means the claims being released as described in Paragraph 6.3 below.
- 1.40. “Released Parties” means: Defendant and each of its former and present directors, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, past and present corporate affiliates, divisions, related entities, divested businesses and business units, and the board members, officers, employees, agents, representatives, insurers and attorneys of any of the same.
- 1.41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.42. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.43. “Settlement” means the disposition of the Arias Matters effected by this Agreement and the Judgment.

- 1.44. “Workweek” means any week during which a Class Member actually worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On November 29, 2022, Plaintiff commenced the Class Matter by filing a Complaint alleging causes of action against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to reimburse necessary business expenditures; (8) failure to produce requested employment records; and (9) unfair business practices pursuant to California’s Unfair Competition Law (“UCL”) (the “Proposed Class Action Complaint”). On April 12, 2023, Plaintiff commenced the PAGA Matter by filing a separate action under PAGA (the “PAGA Complaint”). The Parties agree that Plaintiff will file a Consolidated First Amended Class and Representative Action Complaint (the “Operative Complaint”) encompassing all claims in the already-consolidated Arias Matters. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On December 22, 2023, the Parties participated in mediation presided over by Hon. Amy Hogue (Ret.) which culminated with this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, a sampling of time and pay records for the putative class and class/PAGA demographic information. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5. The Court has not granted class certification, and the Parties have agreed to conditional class certification for the purpose of this Settlement. Should, for whatever reason, the Settlement set forth in this Settlement Agreement not become final, the Parties’ stipulation to such class certification as part of this settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate in a non-settlement context. Defendant expressly reserves its rights and declares that, to the extent Plaintiff may otherwise be permitted to seek class certification, Defendant intends to oppose class certification vigorously should this settlement not become final and putative class action claims are allowed to be pursued in the Action or any other action or proceeding.

- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 3.2.6 below, Defendant promises to pay \$325,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1. To Plaintiff: A Class Representative Service Payment to Plaintiff in the amount of \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's requests for a Class Representative Service Payment that does not exceed this amount. Of the Gross Settlement Amount, \$5,000.00 will be allocated to settlement of Plaintiff's individual claims (the "Individual Settlement Amount") and the remaining \$320,000.00 will be allocated to settlement of the Arias Matters (the "Class and PAGA Settlement Amount"). As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payments.
- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33.333333% of the Class and PAGA Settlement Amount, which is currently estimated to be \$106,666.67 and Class Counsel Litigation Expenses Payment of not more than \$20,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation

Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000.00 to be paid from the Gross Settlement Amount, with 75% (\$15,000.00) allocated to the LWDA PAGA Payment and 25% (\$5,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA

Penalties (\$5,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

3.2.6 Escalator Provision. Based on their records, Defendant estimates that Class Members collectively worked a total of 14,104 Workweeks during the Class Period. Should the Workweeks during the Class Period increase beyond 5% of 14,104 (i.e., more than 14,809 Workweeks), Defendant may at their option, either: (a) increase the Class and PAGA Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above five percent (5%) (e.g., if the number of Workweeks increase by 10%, Defendant may increase the Class and PAGA Settlement Amount by 5%), or (b) set an end date to the Class Period which results in the number of Workweeks worked by Class Members increasing by 5% or less.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 148 Class Members who collectively worked a total of 14,104 Workweeks, and 79 Aggrieved Employees who collectively worked a total of 2,181 PAGA Pay Periods.

4.2. Class Data. Not later than 30 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Upon Final Approval of the Settlement, Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts

necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

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

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

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. Individual settlement checks paid to Participating Class Members will be valid for 180 days. Participating Class Members will have one hundred eighty (180) calendar days from the date of issuance of the check to cash their check. For any check not cashed after 180 calendar days, the claims Administrator will send the amount represented by the check to the California State Controller's Office Unclaimed Property Fund, with the identity of the Participating Class Member to whom the funds belong, to be held for the Participating Class Member per California Unclaimed Property Law, in the interest of justice. The money paid to the California

State Controller's Office Unclaimed Property Fund will remain the Participating Class Member's property. This will allow Participating Class Members who did not cash their checks to collect their Individual Class Payments and Individual PAGA Payments at any time in the future. Therefore, there will be no unpaid residue or unclaimed or abandoned class member funds, and California Code of Civil Procedure section 384 shall not apply. The funds will be held by the State until claimed by the employee and the uncashed check never ceases to be the employee's property.

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

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

- 6.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences which in any way arise out of, relate to, or are connected with: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and Proposed Class Action Complaint; (b) all PAGA claims that were, or reasonably could have been alleged based on facts contained in the Operative Complaint, PAGA Complaint, PAGA Notice, or ascertained during the Action and released under 6.2, below; and (c) any claims that could have been alleged by Plaintiff on an individual basis that were, or reasonably could have been alleged based on facts contained in the Administrative Charge, including but not limited to claims related to his employment with any of the Releasees, or the termination of any such employment, including without limitation claims for wrongful termination, discrimination, disparate treatment, failure to reasonably accommodate, harassment and retaliation ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

6.2 Release by Participating Class Members: Upon the Administrator's receipt of the Gross Settlement Amount from Defendant, Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns shall be deemed to have released the Released Parties of and from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, Proposed Class Action Complaint, PAGA Notice and ascertained in the course of the Arias Matters including any and all claims involving any alleged failure to pay all minimum, straight time and overtime wages, failure to provide meal and rest periods or compensation in lieu thereof, failure to produce requested employment records, failure to furnish accurate itemized wage statements, failure to timely pay all wages due upon separation of employment, failure to reimburse business expenses, and any type of derivative UCL claims based on the foregoing, and parallel claims that may be brought under the Fair Labor Standards Act based on the foregoing. Except as set forth in Paragraphs 6.1 and 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.3 Release by LWDA and Aggrieved Employees: Upon the Administrator's receipt of the Gross Settlement Amount from Defendant, the LWDA and the Aggrieved Employees shall be deemed to have released the Released Parties of and from all claims for any civil penalties recoverable under the California Labor Code, including PAGA, that were alleged, or reasonably could have been alleged, based on the PAGA Period fact stated in the Operative Complaint, PAGA Complaint and the PAGA Notice and ascertained in the course of the Arias Matters, including without limitation PAGA claims predicated on violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 2802, 2699.

7. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

7.1 Defendant's Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 7.2 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval not later than five (5) court days prior to the submission of the motion for preliminary approval of this Settlement, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator, and the proposed Cy Pres; (vi) a signed declaration from Class Counsel attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement, obtaining a prompt hearing date for the Motion for Preliminary Approval, and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment, Phoenix Class Action Administration Solutions agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 8.4 Notice to Class Members.
- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 8.4.3 Not later than (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 8.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an

additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

- 8.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

8.5 Requests for Exclusion (Opt-Outs).

- 8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweeks and/or PAGA Pay Periods. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Settlement.

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

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

- 8.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Hearing, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments, the Final Approval Order and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 8.8.4 Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 8.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The

Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

9. **CLASS SIZE ESTIMATES.** Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there were 148 Class Members and 14,104 Total Workweeks during the Class Period and (2) there were 79 Aggrieved Employees who worked 2,181 Pay Periods during the PAGA Period.

10. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may elect, but is not obligated, 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, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel.

11. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the

scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

13. **ADDITIONAL PROVISIONS.**

- 13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification and to further to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

- 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 13.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 13.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 13.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

- 13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 13.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Justin F. Marquez, Esq.

Christina M. Le, Esq.

Zachary D. Greenberg, Esq.

Wilshire Law Firm, PLC

3055 Wilshire Boulevard, 12th Floor

Los Angeles, CA 90010

To Defendant:

Shareef S. Farag, Esq.

Kerri H. Sakaue, Esq.

Baker & Hostetler LLP

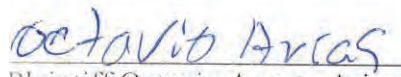
11601 Wilshire Boulevard, Suite 1400

Los Angeles, CA 90025

- 13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of

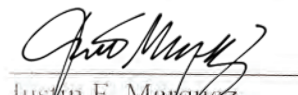
them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

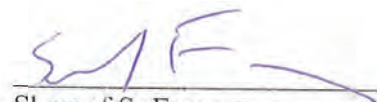

Plaintiff Octavio Agosto Arias


Defendant The Shyft Group GTB, LLC
aka Spartan Motors GTB, LLC

Approved as to form:


Justin F. Marquez
Christina M. Le
Zachary D. Greenberg

Counsel for Plaintiff


Shareef S. Farag
Kerri H. Sakaue

Counsel for Defendant

COURT APPROVED NOTICE OF CLASS AND PAGA ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC, Los Angeles County Superior Court, Case No. 22STCV37390 (the “Class Matter”) and *Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC*, Los Angeles County Superior Court, Case No. 23STCV08099 (the “PAGA Matter”) (collectively, the “Action”).

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class and representative action lawsuit (the “Action”) against The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC (“Defendant”) for alleged wage-and-hour violations. The Action was filed by Octavio Augusto Arias, one of Defendant’s former employees. The Action seeks payment for Defendant’s alleged: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to reimburse employees for necessary business expenditures; (8) failure to produce requested employment records; and (9) violation of California’s unfair business practices law, for a class of non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (June 12, 2019 to April 10, 2023); and (2) penalties under the California Private Attorney’s General Act (“PAGA”) for all non-exempt employees who worked for Defendant during the PAGA Period (November 29, 2021 to April 10, 2023) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks during the Class Period or pay periods during the PAGA Period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have

carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [date]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement.

to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [date]	The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. <i>See</i> Section 7 of this Notice.
You Can Participate in the [date] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [date]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. <i>See</i> Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [date]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [date]. <i>See</i> Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. In the Action, Plaintiff claims Defendant violated California labor laws by failing to pay minimum and straight time wages; failing to pay overtime wages; failing to provide meal periods; failing to authorize and permit rest periods; failing to timely pay final wages at termination; failing to provide accurate itemized wage statements; failing to reimburse necessary business expenditures; failure to produce requested employment records; and unfair business practices. Based on the same claims, Plaintiff also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”). Plaintiff is represented by the following attorneys in the Action: Justin F. Marquez, Christina M. Le, Zachary D. Greenberg of Wilshire Law Firm, PLC (“Class Counsel”).

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather

than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$325,000.00 as the Gross Settlement Amount (Gross Settlement Amount). Of the Gross Settlement Amount, \$5,000.00 will be allocated to Plaintiff’s settlement of his individual claims (“Individual Settlement Amount”), and the remaining \$320,000.00 will be allocated to the settlement of the wage and hour class and PAGA actions (the “Class and PAGA Settlement Amount”). Defendant has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual Settlement Amount, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Upon final approval of the Class and PAGA Settlement Amount, Defendant shall pay the Gross Settlement Amount in its entirety to the Administrator. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$106,666.67 (33.333333% of the Class and PAGA Settlement Amount) to Class Counsel for attorneys’ fees and up to \$20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00 as a Class Representative Award for Plaintiff Octavio Augusto Arias for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only money Plaintiff receives

other than Plaintiff's Individual Class Payment, Individual Settlement Amount, and any Individual PAGA Payments.

C. Up to \$10,000.00 to the Administrator for services administering the Settlement.

D. Up to \$20,000.00 for PAGA Penalties, allocated 75% to the LWDA (\$15,000.00) and 25% (\$5,000.00) in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to taxes and interest ("Non-Wage Portion"). The Wage Portion is subject to withholding and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to a non-profit organization or foundation (the "Cy Pres").
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [date], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [date] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive

Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
8. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members release the Released Parties of and from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, PAGA Notice and ascertained in the course of the Action including any and all claims involving any alleged failure to pay all minimum, straight time and overtime wages, failure to provide meal and rest periods or compensation in lieu thereof, failure to produce requested employment records, failure to furnish accurate itemized wage statements, failure to timely pay all wages due upon separation of employment, failure to reimburse business expenses, and any type of derivative UCL claims based on the foregoing, and parallel claims that may be brought under the Fair Labor Standards Act based on the foregoing. Except as set forth in Paragraphs 6.1 and 6.3 of the Agreement, the Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation

of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees will be bound by the following release:

The Aggrieved Employees release the Released Parties of and from all claims for any civil penalties recoverable under the California Labor Code, including PAGA, that were alleged, or reasonably could have been alleged, based on the PAGA Period fact stated in the Operative Complaint and the PAGA Notice and ascertained in the course of the Action, including without limitation PAGA claims predicated on violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 2802, 2699.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/PAGA Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated on the first page of this Notice. You have until [date] to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or PAGA Pay Periods based on Defendant's records as accurate unless you send copies of records

containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC* and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [date], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 days before the [date] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact

information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website **[need details]**.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [date]**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC*, and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department 10 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc>). Feel free to check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

This Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [URL of website]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to <http://www.lacourt.org/casesummary/ui/index.aspx> and entering the Case Number for the Action, Case Nos. 22STCV37390 and 23STCV08099.

**DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION
ABOUT THE SETTLEMENT.**

Class Counsel:

Justin F. Marquez
justin@wilshirelawfirm.com
Christina M. Le
cle@wilshirelawfirm.com
Zachary D. Greenberg
zgreenberg@wilshirelawfirm.com
Wilshire Law Firm
3055 Wilshire Boulevard, 12th
Floor Los Angeles, CA 90010
(213) 381-9988

Settlement Administrator:

Phoenix Class Action Administration
Solutions

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

Exhibit 2

~~[FORM]~~ CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE[†]

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between ~~plaintiff [name]~~ the Parties to the actions entitled Octavio Augusto Arias (“Plaintiff”) ~~and defendant XYZ [name] (“XYZ”).~~ v. The Agreement refers to Shyft Group GTB, LLC aka Spartan Motors GTB, LLC (“Defendant”), case numbers 22STCV37390 (the “Class Matter”) and 23STCV08099 (the “PAGA Matter”) (the Class Matter and the PAGA Matter are referred to as the “Arias Matters”), and also encompass any individual claims that Plaintiff and XYZ could have alleged against Defendant in his individual capacity including, but not limited to, Plaintiff’s administrative charge filed with the California Civil Rights Department on November 29, 2022 (the “Administrative Charge”). Plaintiff and Defendant are collectively as “Parties,” or individually referred to herein as “Party.” the “Parties.”

1. DEFINITIONS.

~~1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against XYZ captioned [caption and case number] initiated on [filing date] and pending in Superior Court of the State of California, County of Los Angeles.~~

1.1. “Action” means Plaintiff’s administrative charge against Defendant in his individual capacity and the Arias matters, captioned (1) *Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC*, Los Angeles County Superior Court, Case No. 22STCV37390, or the Class Matter, initiated on November 29, 2022; and (2) *Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC*, Los Angeles County Superior Court, Case No. 23STCV08099, or the PAGA Matter, initiated on April 12, 2023, under Labor Code section 2699, *et seq.*

1.2. _____ “Administrator” means ~~[name]~~ Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. _____ “Administration Expenses Payment” means the amount the Administrator will be paid- from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. _____ “Aggrieved Employee” means ~~[e.g., a person employed by XYZ Defendant in California and classified as a _____ who worked for XYZ non-exempt employee during the PAGA Period].~~

1.5. “Aggrieved Employee Payment” means the 25% of the PAGA Penalties paid to the Aggrieved Employees under Labor Code section 2699, subd. (i).

- ~~1.5.1.6.~~ “Class” means ~~[define class e.g., all persons]~~ a person employed by XYZ Defendant in California and classified as ~~_____ who worked for XYZ a~~ non-exempt employee during the Class Period~~].~~
- ~~1.6.1.7.~~ “Class Counsel” means ~~[name]~~ Justin F. Marquez, Christina M. Le, and Zachary D. Greenberg of Wilshire Law Firm, PLC.
- ~~1.7.1.8.~~ “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the ~~Action~~ Arias Matters.
- ~~1.8.1.9.~~ “Class Data” means Class Member identifying information in XYZ’s Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, ~~and~~ and number of Class Period Workweeks and PAGA Pay Periods.
- ~~1.9.1.10.~~ “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- ~~1.10.1.11.~~ “Class Member Address Search” means the Administrator’s investigation and search for current Class ~~Member~~ Member’s mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- ~~1.11.1.11~~ “Class Notice” means the COURT APPROVED NOTICE OF CLASS AND PAGA ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English ~~[with a and Spanish translation, if applicable]~~ [with a and Spanish translation, if applicable] in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from ~~[date]~~ June 12, 2019 to ~~[date]~~ April 10, 2023.
- 1.13. “Class Representative” means the named Plaintiff in the ~~operative complaint in the Action~~ Arias Matters (Octavio Agosto Arias) seeking Court approval to serve as ~~a~~ Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County ~~of~~ Los Angeles.
- 1.16. “~~XYZ~~” means ~~named~~ Defendant ~~[name]~~ means The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC.

- 1.17. “Defense Counsel” means ~~[name]~~ Shareef Farag and Kerri Sakaue of Baker & Hostetler LLP.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means ~~\$[amount]~~ \$325,000.00 which is the total amount ~~XYZDefendant~~ agrees to pay under the Settlement except as provided in Paragraph 93.2.6 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, Individual Settlement Amount and the Administrator’s Expenses.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of ~~25% of the PAGA Penalties~~ Aggrieved Employee Payment calculated according to the number of ~~Workweeks~~ PAGA Pay Periods worked during the PAGA Period.
- ~~1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.~~
- ~~1.26.~~ 1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- ~~1.27.~~ 1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

~~1.28.~~1.27. “Net Settlement Amount” means the Gross Settlement Amount, less the Individual Settlement Amount and the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

~~1.29.~~1.28. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

~~1.30.~~1.29. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee actually worked for ~~XYZ~~Defendant for at least one day during the PAGA Period.

~~1.31.~~1.30. “PAGA Period” means the period from ~~[date]~~November 29, 2021 to ~~[date]~~April 10, 2023.

~~1.32.~~1.31. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

~~1.33.~~1.32. “PAGA Notice” means -Plaintiff’s ~~[date]~~December 8, 2022, letter to ~~XYZ~~Defendant and the LWDA ~~[and Plaintiff’s [date] letter to XYZ and the LWDA]~~ providing notice pursuant to Labor Code section 2699.3, subd.(a).

~~1.34.~~1.33. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (~~insert amount~~)(\$5,000.00) and the 75% to LWDA (~~insert amount~~)(\$15,000.00) in settlement of PAGA claims.

~~1.35.~~1.34. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

~~1.36.~~1.35. “Plaintiff” means ~~[name], the named plaintiff in the Action~~Octavio Augusto Arias.

~~1.37.~~1.36. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

~~1.38.~~1.37. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

~~1.39.~~1.38. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.

~~1.40.~~1.39. “Released PAGA Claims” means the claims being released as described in Paragraph 6.23 below.

~~1.41.~~1.40. “Released Parties” means: ~~XYZ~~Defendant and each of its former and present directors, ~~officers~~, shareholders, owners, ~~[members]~~2, attorneys, insurers, predecessors,

successors, -assigns ~~[-, subsidiaries]~~, past and present corporate affiliates, divisions, related entities, divested businesses and business units, and the board members, officers, employees, agents, representatives, insurers and attorneys of any of the same.

~~1.42.~~1.41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

~~1.43.~~1.42. “Response Deadline” means ~~[e.g., 60]~~ days after the Administrator mails Notice to Class Members ~~and Aggrieved Employees~~, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

~~1.44.~~1.43. “Settlement” means the disposition of the ~~Action~~Arias Matters effected by this Agreement and the Judgment.

~~1.45.~~1.44. “Workweek” means any week during which a Class Member actually worked for ~~XYZ~~Defendant for at least one day, during the Class Period.^{iv}

2. RECITALS.

2.1. On ~~[date], November 29, 2022,~~ Plaintiff commenced ~~this Action~~the Class Matter by filing a Complaint alleging causes of action against ~~XYZ~~Defendant for ~~[specify causes of action]. [The: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to reimburse necessary business expenditures; (8) failure to produce requested employment records; and (9) unfair business practices pursuant to California’s Unfair
2.1. Competition Law (“UCL”) (the “Proposed Class Action Complaint is the operative complaint in the Action (the “Operative Complaint.”)] [”]. On ~~[date], April 12, 2023,~~ Plaintiff ~~filed~~commenced the PAGA Matter by filing a ~~[e.g., separate action under PAGA (the “PAGA Complaint”).~~ The Parties agree that Plaintiff will file a Consolidated First Amended Class and Representative Action Complaint]~~alleging causes of action against XYZ for [specify causes of action]. The [e.g., First Amended] Complaint is the operative complaint in the Action (the “Operative Complaint.”)]~~ XYZ (the “Operative Complaint”) encompassing all claims in the already-consolidated Arias Matters. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in ~~in~~the Operative Complaint and denies any and all liability for the causes of action alleged.~~

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to ~~XYZ~~Defendant and the LWDA by sending the PAGA Notice.

- 2.3. On ~~[date[s],~~ December 22, 2023, the Parties participated in ~~an all-day~~ mediation presided over by ~~[mediator's name]~~ Hon. Amy Hogue (Ret.) which ~~led to~~ culminated with this Agreement to settle the Action ~~[or describe alternative means of negotiation].~~
- 2.4. Prior to ~~[mediation]~~ [negotiating the Settlement], Plaintiff obtained, through ~~[formal]~~ [informal] discovery, ~~[identify documents, testimony]~~ a sampling of time and pay records for the putative class and class/PAGA demographic information obtained. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- ~~2.5. The Court [has][has not] granted class certification. [Insert details as needed.]~~
- 2.5. The Court has not granted class certification, and the Parties have agreed to conditional class certification for the purpose of this Settlement. Should, for whatever reason, the Settlement set forth in this Settlement Agreement not become final, the Parties' stipulation to such class certification as part of this settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate in a non-settlement context. Defendant expressly reserves its rights and declares that, to the extent Plaintiff may otherwise be permitted to seek class certification, Defendant intends to oppose class certification vigorously should this settlement not become final and putative class action claims are allowed to be pursued in the Action or any other action or proceeding.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph ~~93.2.6~~ below, ~~XYZ~~ Defendant promises to pay ~~\$(amount)~~ \$325,000.00 and no more as the Gross Settlement Amount ~~[and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.]~~ ~~XYZ.~~ Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph ~~6.14.3~~ of this Agreement.* The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to ~~XYZ~~ Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1. To Plaintiff: A Class Representative Service Payment to Plaintiff in the Class Representative of not more than \$(amount) of \$10,000.00 (in addition to any

Individual Class Payment ~~and any Individual PAGA Payment~~ the Class Representative is entitled to receive as a Participating Class Member). ~~XYZDefendant~~ will not oppose Plaintiff's ~~requestrequests~~ for a Class Representative Service Payment that does not exceed this amount. Of the Gross Settlement Amount, \$5,000.00 will be allocated to settlement of Plaintiff's individual claims (the "Individual Settlement Amount") and the remaining \$320,000.00 will be allocated to settlement of the Arias Matters (the "Class and PAGA Settlement Amount"). As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service ~~PaymentsPayment~~ no later than ~~{16 court}~~ days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service ~~PaymentPayments~~.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than ~~—%,33.333333%~~ of the Class and PAGA Settlement Amount, which is currently estimated to be ~~#{amount}\$106,666.67~~ and ~~a~~ Class Counsel Litigation Expenses Payment of not more than ~~#{amount}.~~ ~~XYZ\$20,000.00.~~ ~~Defendant~~ will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than ~~{16 court}~~ days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds ~~XYZDefendant~~ harmless, and indemnifies ~~XYZDefendant~~, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed ~~#{amount}\$10,000.00~~ except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than ~~#{amount}.~~ \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of

Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. ~~Specify~~ percentage 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. ~~The~~ ~~specify percentage~~ 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for ~~e.g., interest and penalties~~ (the "Non-Wage Portion").^{**} The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. ~~Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.~~

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of ~~\$[amount]~~ \$20,000.00 to be paid from the Gross Settlement Amount, with 75% (~~\$amount~~ 15,000.00) allocated to the LWDA PAGA Payment and 25% (~~\$amount~~ 5,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (~~\$amount~~ 5,000.00) by the total number of PAGA ~~Period~~ Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA ~~Period~~ Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

3.2.6 Escalator Provision. Based on their records, Defendant estimates that Class Members collectively worked a total of 14,104 Workweeks during the Class Period. Should the Workweeks during the Class Period increase beyond 5% of 14,104 (i.e., more than 14,809 Workweeks), Defendant may at their option, either: (a) increase the Class and PAGA Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above five percent (5%) (e.g., if the number of Workweeks increase by 10%, Defendant may increase the Class and PAGA Settlement Amount by 5%), or (b) set

an end date to the Class Period which results in the number of Workweeks worked by Class Members increasing by 5% or less.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, XYZDefendant estimates there are ~~{number}~~148 Class Members who collectively worked a total of ~~{amount}~~14,104 Workweeks, and ~~{number}~~of79 Aggrieved Employees who collectively worked a total ~~{amount}~~of 2,181 PAGA Pay Periods.
- 4.2. Class Data. Not later than ~~{e.g., 15}~~30 days after the Court grants Preliminary Approval of the Settlement, XYZDefendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. XYZDefendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which XYZDefendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. XYZUpon Final Approval of the Settlement, Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay XYZ'sDefendant's share of payroll taxes by transmitting the funds to the Administrator no later than ~~{14}~~ days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within ~~{14}~~ days after XYZDefendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment, and the Individual Settlement Amount. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment~~and~~, the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual SettlementClass Payments to all

Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the ~~Settlement~~ Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. ——— The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are ~~returned~~ returned undelivered without USPS forwarding address. Within {7} days of receiving a- returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date. ____

~~4.4.3. ——— For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks [to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).] [or to a Court approved nonprofit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) ("Cy Pres Recipient") [adding name]]. The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.~~

4.4.3. Individual settlement checks paid to Participating Class Members will be valid for 180 days. Participating Class Members will have one hundred eighty (180) calendar days from the date of issuance of the check to cash their check. For any check not cashed after 180 calendar days, the claims Administrator will send the amount represented by the check to the California State Controller's Office Unclaimed Property Fund, with the identity of the Participating Class Member to whom the funds belong, to be held for the Participating Class Member per California Unclaimed Property Law, in the interest of justice. The money paid to the California State Controller's Office Unclaimed Property Fund will remain the Participating Class Member's property. This will allow Participating Class Members who did not cash their checks to collect their Individual Class Payments and Individual PAGA Payments at any time in the future. Therefore, there will be no unpaid residue or unclaimed or abandoned class member funds, and California Code of Civil Procedure section 384 shall not apply. The funds will be held by the State until claimed by the employee and the uncashed check never ceases to be the employee's property.

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

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

6.1 Plaintiff's Release. Plaintiff and his ~~or her~~ respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences ~~[that occurred during the Class Period], including, but not limited to which in any way arise out of, relate to, or are connected with:~~ (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and Proposed Class Action Complaint; (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Complaint, PAGA Notice, ~~[or ascertained during the Action and released under 6.2, below]~~; and (c) any claims that could have been alleged by Plaintiff on an individual basis that were, or reasonably could have been alleged based on facts contained in the Administrative Charge, including but not limited to claims related to his employment with any of the Releasees, or the termination of any such employment, including without limitation claims for wrongful termination, discrimination, disparate treatment, failure to reasonably accommodate, harassment and retaliation ("Plaintiff's Release."")). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits ~~that arose at any time, or based on occurrences outside the Class Period.~~ Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

6.2 Release by Participating Class Members ~~Who Are Not Aggrieved Employees:~~
All: Upon the Administrator's receipt of the Gross Settlement Amount from Defendant,
Participating Class Members, on behalf of themselves and their respective former and
present representatives, agents, attorneys, heirs, administrators, successors, and assigns;
release shall be deemed to have released the Released Parties of and from ~~(i)~~ all claims
that were alleged, or reasonably could have been alleged, based on the Class Period facts
stated in the Operative Complaint ~~[, Proposed Class Action Complaint, PAGA Notice~~
and ascertained in the course of the ~~Action]~~ [Arias Matters including, ~~e.g., “(a) any and~~
all claims involving any alleged failure to pay all minimum, straight time and overtime
wages, failure to provide meal and rest periods or compensation in lieu thereof, failure to
produce requested employment records, failure to furnish accurate itemized wage; etc.]
statements, failure to timely pay all wages due upon separation of employment, failure to
reimburse business expenses, and any type of derivative UCL claims based on the
foregoing, and parallel claims that may be brought under the Fair Labor Standards Act
based on the foregoing. Except as set forth in ~~Section~~ Paragraphs 6.1 and 6.3 of this
Agreement, Participating Class Members do not release any other claims, including
claims for vested benefits, wrongful termination, violation of the Fair Employment and
Housing Act, unemployment insurance, disability, social security, workers'
compensation, or claims based on facts occurring outside the Class Period.

6.3 Release by ~~Non-Participating Class Members Who Are LWDA and Aggrieved~~
Employees: All Non-Participating Class Members who are Upon the Administrator's
receipt of the Gross Settlement Amount from Defendant, the LWDA and the Aggrieved
Employees ~~are~~ shall be deemed to ~~release, on behalf of themselves and their respective~~
~~former and present representatives, agents, attorneys, heirs, administrators, successors,~~
~~and assigns, have released~~ the Released Parties of and from all claims for ~~PAGA any civil~~
penalties recoverable under the California Labor Code, including PAGA, that were
alleged, or reasonably could have been alleged, based on the PAGA Period ~~facts~~ fact
stated in the Operative Complaint ~~[,]~~ [, PAGA Complaint and] the PAGA Notice ~~[and~~
ascertained in the course of the ~~Action]~~ [Arias Matters, including, ~~e.g., “(a) any and all~~
without limitation PAGA claims ~~involving any alleged failure to pay minimum wage;~~
~~etc.]~~ predicated on violations of California Labor Code §§ 201, 202, 203, 204, 210, 226,
226.3, 226.7, 510, 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 2802, 2699.

7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and
file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies
with the Court’s current checklist for Preliminary Approvals.

7.1 XYZ's Defendant's Declaration in Support of Preliminary Approval. Within
~~[]~~ 14 days of the full execution of this Agreement, XYZ Defendant will prepare and
deliver to Class Counsel a signed Declaration from XYZ Defendant and Defense Counsel
disclosing all facts relevant to any actual or potential conflicts of interest with the
Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel and
XYZ Defendant shall aver that they are not aware of any other pending matter or action
asserting claims that will be extinguished or adversely affected by the Settlement.

7.2 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval not later than five (5) court days prior to the submission of the motion for preliminary approval of this Settlement, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members ~~and/or~~ the proposed Cy Pres~~;~~; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, ~~and/or~~ the Administrator~~;~~ and/or the proposed Cy Pres~~;~~ ~~(v);~~ (vi) a signed declaration from ~~each~~ Class Counsel ~~firm~~ attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel ~~Declaration~~ shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than ~~[30]~~ days after the full execution of this Agreement~~;~~, obtaining a prompt hearing date for the Motion for Preliminary Approval~~;~~ and for appearing in Court to advocate in favor of the Motion for Preliminary Approval.- Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Administrator. The Parties have jointly selected ~~{name}~~Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment, ~~{name}~~Phoenix Class Action Administration Solutions agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 8.4 Notice to Class Members.
- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, ~~PAGA Members~~Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than ~~{14}~~ days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice ~~{with Spanish translation, if applicable}~~ substantially in the form attached to this Agreement as **Exhibit ~~---~~A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 8.4.3 Not later than ~~{3}~~ business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

8.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional {14} days beyond the {60} days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.4.5 If the Administrator, XYZDefendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than {14} days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever ever are later.

8.5 Requests for Exclusion (Opt-Outs).

8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than {60} days after the Administrator mails the Class Notice (plus an additional {14} days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. -Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.43 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweeks- and/or PAGA Pay Periods. Each Class Member shall have {60} days after the Administrator mails the Class Notice (plus an additional {14} days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Settlement.

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

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than {60} days after the Administrator's mailing of the Class Notice (plus an additional {14} days for Class Members whose Class Notice was re-mailed).

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

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

- 8.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Hearing, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service PaymentPayments, the Final Approval Order and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than ~~{5}~~ days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must ~~include~~ provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 8.8.4 Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 8.8.5 Administrator’s Declaration. Not later than ~~{14}~~ days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or

invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

8.8.6 Final Report by Settlement Administrator. Within ~~{10}~~ days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least ~~{15}~~ days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. **CLASS SIZE ESTIMATES ~~{and ESCALATOR CLAUSE}~~.** Based on its records, ~~XYZDefendant~~ estimates that, as of the date of this Settlement Agreement, (1) there ~~are~~ ~~{number}~~were 148 Class Members and ~~{number}~~14,104 Total Workweeks during the Class ~~period~~Period and (2) there were ~~{number}~~79 Aggrieved Employees who worked ~~{number}~~2,181 Pay Periods during the PAGA Period.^{***}

10. **~~XYZ'S~~DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds ~~{specify percentage}~~10% of the total of all Class Members, ~~XYZDefendant~~ may elect, but is not obligated, ~~elect~~to withdraw from the Settlement. The Parties agree that, if ~~XYZDefendant~~ 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, ~~XYZDefendant~~ will remain responsible for paying all Settlement Administration Expenses incurred to that point. ~~XYZDefendant~~ must notify Class Counsel and the Court of its election to withdraw not later than ~~{seven}~~7 days after the Administrator sends the final Exclusion List to Defense Counsel;~~late elections will have no effect.~~

11. **MOTION FOR FINAL APPROVAL.** Not later than ~~{16}~~ court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than ~~{seven}~~(7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later ~~that {five}~~than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

- 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
12. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS.

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

13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, XYZDefendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: -(1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, XYZDefendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, ~~any~~-with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and ~~XYZ~~Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 13.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 13.8 No Tax Advice. Neither Plaintiff, Class Counsel, ~~XYZ~~Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 13.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- 13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by XYZDefendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy; all paper and electronic versions of Class Data received from XYZDefendant unless, prior to the Court's discharge of the Administrator's obligation, XYZDefendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 13.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Justin F. Marquez, Esq.
Christina M. Le, Esq.
Zachary D. Greenberg, Esq.
Wilshire Law Firm, PLC
3055 Wilshire Boulevard, 12th Floor
Los Angeles, CA 90010

To XYZDefendant:

Shareef S. Farag, Esq.
Kerri H. Sakaue, Esq.
Baker & Hostetler LLP
11601 Wilshire Boulevard, Suite 1400
Los Angeles, CA 90025

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

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

[Signature] _____ [Signature] _____
[name] For Plaintiff _____ [name and title] For XYZ _____

[Signature] _____ [Signature] _____
[name] _____

Plaintiff Octavio Augusto Arias Defendant The Shyft Group GTB, LLC
aka Spartan Motors GTB, LLC

Approved as to form:

Justin F. Marquez Shareef S. Farag
Christina M. Le Kerri H. Sakaue
Zachary D. Greenberg _____

Counsel for Plaintiff [name] _____ Counsel for ~~XYZ~~ Defendant

**COURT APPROVED NOTICE OF CLASS AND PAGA ACTION
SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL**
~~[case name and number]~~

Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC, Los Angeles County Superior Court, Case No. 22STCV37390 (the “Class Matter”) and Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC, Los Angeles County Superior Court, Case No. 23STCV08099 (the “PAGA Matter”) (collectively, the “Action”).

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It’s not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class and representative action lawsuit ~~(“the “Action”)~~ against ~~[name of defendant] (abbreviate name; “XYZ” is used herein as a placeholder)~~ The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC (“Defendant”) for alleged wage--and--hour violations. The Action was filed by ~~a[n]~~ Octavio Augusto Arias, one of Defendant’s former XYZ employee [name] (“Plaintiff”) and employees. The Action seeks payment ~~of for~~ Defendant’s alleged: (1) ~~back~~ failure to pay minimum and straight time wages [and other relief]; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to reimburse employees for necessary business expenditures; (8) failure to produce requested employment records; and (9) violation of California’s unfair business practices law, for a class of ~~[e.g., hourly]non-exempt~~ employees (“Class Members”) who worked for XYZDefendant during the Class Period ~~([date] to [date]);~~ (June 12, 2019 to April 10, 2023); and (2) penalties under the California Private ~~AttorneyAttorney’s~~ General Act (“PAGA”) for all ~~[e.g., hourly]non-exempt~~ employees who worked for XYZDefendant during the PAGA Period ~~([date] to [date]);~~ (November 29, 2021 to April 10, 2023) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring XYZDefendant to fund Individual Class Payments, and (2) a PAGA Settlement requiring XYZDefendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on XYZ’sDefendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ _____ (less withholding) and your Individual PAGA Payment is estimated to be \$ _____.** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to XYZ’sDefendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on XYZ’sDefendant’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ workweekspay periods** during the PAGA Period. If you believe that you worked more workweeks during ~~either~~

~~period~~the Class Period or pay periods during the PAGA Period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires XYZDefendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against XYZDefendant.

If you worked for XYZDefendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against XYZDefendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against XYZDefendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

XYZDefendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against <u>XYZDefendant</u> that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class

The Opt-out Deadline is [date]	Members cannot object to any portion of the proposed Settlement. <i>See</i> Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. ~~XYZ~~<u>Defendant</u> must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [date]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. <i>See</i> Section 7 of this Notice.
You Can Participate in the [date] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [date]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. <i>See</i> Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [date]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to ~~XYZ’s~~<u>Defendant’s</u> records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [date]. <i>See</i> Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a ~~[n]~~ ~~[former]~~ ~~XYZ~~ employee. ~~The~~ of Defendant. ~~In the~~ Action ~~accuses XYZ of violating~~, Plaintiff claims Defendant violated California labor laws by failing to pay ~~[e.g., minimum and straight time wages; failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses]~~ and; failing to provide ~~[e.g., meal periods;~~ failing to authorize and permit rest breaks and periods; failing to timely pay final wages at termination; failing to provide accurate itemized wage statements]; failing to reimburse necessary business expenditures; failure to produce requested employment records; and unfair business practices. Based on the same claims, Plaintiff ~~has~~ also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*)

("PAGA"). Plaintiff is represented by the following attorneys in the Action: ~~name~~Justin F. Marquez, Christina M. Le, Zachary D. Greenberg of ~~attorney and law firm~~Wilshire Law Firm, PLC ("Class Counsel.")).

XYZDefendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether XYZDefendant or Plaintiff ~~is~~are correct on the merits. In the meantime, Plaintiff and XYZ ~~[Defendant]~~ hired ~~[an experienced, neutral mediator]~~ ~~[a retired judge]~~ ~~[describe alternative means of negotiations]~~ in an effort to resolve the Action by negotiating an ~~to~~end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and XYZDefendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, XYZDefendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) XYZDefendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. XYZDefendant Will Pay ~~[\$amount]~~\$325,000.00 as the Gross Settlement Amount (Gross Settlement). ~~XYZ Amount). Of the Gross Settlement Amount, \$5,000.00 will be allocated to Plaintiff's settlement of his individual claims ("Individual Settlement Amount"), and the remaining \$320,000.00 will be allocated to the settlement of the wage and hour class and PAGA actions (the "Class and PAGA Settlement Amount").~~ Defendant has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual Settlement Amount, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). ~~Assuming~~Upon final approval of the Court grants Final Approval, XYZ will fundClass and PAGA Settlement Amount, Defendant shall pay the Gross Settlement ~~not more than [14] days after~~Amount in its entirety to the ~~Judgment entered by the Court become final~~Administrator. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Up to ~~[\$amount]~~ (x)\$106,666.67 (33.333333% of the ~~Gross~~Class and PAGA Settlement) Amount to Class Counsel for attorneys' fees and up to ~~[\$amount]~~ \$20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to ~~[\$amount]~~ \$10,000.00 as a Class Representative Award for Plaintiff Octavio Augusto Arias for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only ~~monies~~ money Plaintiff ~~will receive~~ receives other than Plaintiff's Individual Class Payment, Individual Settlement Amount, and any Individual PAGA ~~Payment~~ Payments.
- C. Up to ~~[\$amount]~~ \$10,000.00 to the Administrator for services administering the Settlement.
- D. Up to ~~[\$amount]~~ \$20,000.00 for PAGA Penalties, allocated 75% to the LWDA ~~PAGA Payment~~ (\$15,000.00) and 25% (\$5,000.00) in Individual PAGA Payments to the Aggrieved Employees based on their PAGA ~~Period~~ Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and ~~XYZ~~ Defendant are asking the Court to approve an allocation of ~~[specify percentage]~~ 10% of each Individual Class Payment to taxable wages ("Wage Portion") and ~~[specify percentage]~~ 90% to ~~[e.g., taxes and interest, etc.]~~ ("Non-Wage Portion-"). The Wage Portion is subject to ~~withholdings~~ withholding and will be reported on IRS W-2 Forms. ~~{Option 1: (XYZ Defendant will separately pay employer payroll taxes it owes on the Wage Portion-)}.~~ The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and ~~XYZ~~ Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult

a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies ~~{will be deposited with the California Controller's Unclaimed Property Fund in your name}~~ will irrevocably be lost to you because they will be paid to a non-profit organization or foundation ~~("(the "Cy Pres"))~~. ~~[If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.]~~ ").
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [date], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [date] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against XYZDefendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against XYZDefendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. PlaintiffsPlaintiff and XYZDefendant have agreed that, in either case, the Settlement will be void: XYZDefendant will not pay any money and Class Members will not release any claims against XYZDefendant.
8. Administrator. The Court has appointed a neutral company, ~~{name}~~Phoenix Class Action Administration Solutions (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and XYZDefendant has fully funded the Gross Settlement ~~{Option 1: (and separately paid all employer payroll taxes)}~~, Participating Class Members will be legally barred from asserting any of

the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against ~~XYZDefendant~~ or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, ~~on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns,~~ release the Released Parties of and from ~~(i)~~ all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, ~~PAGA Notice~~ and ascertained in the course of the Action ~~including, e.g., “(a) any and all claims involving any alleged failure to pay all minimum, straight time and overtime wages, failure to provide meal and rest periods or compensation in lieu thereof, failure to produce requested employment records, failure to furnish accurate itemized wage, etc., statements, failure to timely pay all wages due upon separation of employment, failure to reimburse business expenses, and any type of derivative UCL claims based on the foregoing, and parallel claims that may be brought under the Fair Labor Standards Act based on the foregoing.~~ Except as set forth in ~~Section~~Paragraphs 6.1 and 6.3 of the Settlement Agreement, the Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period. ~~***~~

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and ~~XYZDefendant~~ has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against ~~XYZDefendant~~, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against ~~XYZDefendant~~ or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

~~The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows:~~

~~All Participating and Non-Participating Class Members who are~~The Aggrieved Employees will be bound by the following release:

The Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties, of and from all claims for PAGAany civil penalties recoverable under the California Labor Code, including

PAGA, that were alleged, or reasonably could have been alleged, based on the PAGA Period ~~facts~~fact stated in the Operative Complaint~~[,][,]~~ and the PAGA Notice ~~[and]~~ ascertained in the course of the Action~~[,]~~ including, e.g., ~~(a) any and all without limitation PAGA claims involving any alleged failure to pay minimum wage; etc.]~~predicated on violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 2802, 2699.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing ~~the amount~~\$5,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/PAGA Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in XYZ's Defendant's records, are stated ~~in~~on the first page of this Notice. You have until [date] to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept XYZ's Defendant's calculation of Workweeks and/or PAGA Pay Periods based on XYZ's Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and XYZ's Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as ~~[caption of Action]~~, Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [date], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and ~~XYZ~~Defendant are asking the Court to approve. At least ~~[insert]~~16 days before the [date] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website ~~[need details]~~ or the Court's website ~~[need details]~~-.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [date].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action ~~[case caption]~~as Octavio Augusto Arias v. The Shyft Group GTB, LLC aka Spartan Motors GTB, LLC, and include your name, current address, telephone number, and approximate dates of employment for ~~[XYZ]~~Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department ~~[7]~~10 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, ~~CA~~California 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/> ~~confirm~~ Check). Feel free to check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website ~~[www.ete.]~~ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

~~The~~This Agreement sets forth everything ~~XYZ~~Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to ~~[specify whose]~~the Administrator's website at [URL of website]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) ~~confirm~~ and entering the Case Number for the Action, Case No. ~~[number]~~. ~~You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.~~ Nos. 22STCV37390 and 23STCV08099.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

~~[Name of Attorney]~~

~~[Email Address]~~

~~[Name of]~~Justin F. Marquez

justin@wilshirelawfirm.com

Christina M. Le

cle@wilshirelawfirm.com

Zachary D. Greenberg

zgreenberg@wilshirelawfirm.com

Wilshire Law Firm

~~_____~~[Mailing Address]

~~_____~~[Telephone]

~~_____~~

3055 Wilshire Boulevard, 12th

Floor Los Angeles, CA 90010

(213) 381-9988

Settlement Administrator:

~~[Name of Company]~~

~~[Email Address]~~

~~[Mailing Address]~~

~~[Telephone]~~

~~[Fax Number]~~

Phoenix Class Action Administration
Solutions

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void ~~[you should consult the Unclaimed Property Fund [website] for instructions on how to retrieve the funds] [, you will have no way to recover the money].~~

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

ⁱ ~~This Form Class Action and PAGA Settlement Agreement is for settlements of single plaintiff wage and hour actions asserting class claims and PAGA claims against a single employer (XYZ). The parties will need to revise this form if there are multiple plaintiffs or multiple defendants. For settlements of wage and hour class actions that do not include PAGA claims, please use the Form Class Action Settlement Agreement and Class Notice.~~

ⁱⁱ ~~Whether the “date of preliminary approval” yields a fair and adequate payment to Class Members may depend on whether the Class Members, in exchange for their releases of claims, receive consideration for time worked between the date when parties reached a settlement and the date of preliminary approval. The Parties’ *Kullar* analysis must give the Court sufficient information to allow the Court to determine whether the Gross Settlement Amount “represents a reasonable compromise, given the magnitude and apparent merit of the claims being released, discounted by the risks and expenses of attempting to establish and collect on those claims by pursuing the litigation.” (*Luckey v. Superior Court* (2014) 228 Cal.App.4th 81, 94–95, internal quotation marks omitted.)~~

ⁱⁱⁱ ~~See endnote ii above.~~

^{iv} ~~The Parties may need to tailor this language to pay periods or shifts depending on the facts of the case.~~

^v ~~The Parties are free to negotiate a payment plan structure, if appropriate, and payment deadlines may fall earlier as necessary thereto.~~

^{vi} ~~Note that this is not the only possible appropriate breakdown depending on the claims at issue in the case (e.g. a settlement that is solely a Labor Code Section 226(a) claim.)~~

^{vii} ~~Insert negotiated terms, if any, addressing the possibility that XYZ’s estimates of class size, Workweeks or Pay Periods turn out to be understated such as an ADR clause imposing a duty to engage in good faith negotiations or mediation or an “escalator” clause memorializing XYZ’s promise to increase the Gross Settlement Amount in an agreed-upon proportion to the percentage by which the calculated class size, Workweeks, or Pay Periods exceeds XYZ’s estimates.~~

^{viii} ~~Releases in Notice should track the releases in the Settlement Agreement.~~

Exhibit 3



CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	180
Opt Out Rate	1%
Opt Outs Received	2
Total Class Claimants	178
Subtotal Admin Only	\$8,000.00

Not-to-Exceed Total \$8,000.00

For 180 Members

Pricing Good for Scope of Estimate Only

January 25, 2024

Case: Arias v. The Shyft Group Opt-Out wLanguage

Phoenix Contact: Jodey Lawrence
Contact Number: 949.566.1455
Email: Jodey@phoenixclassaction.com

Requesting Attorney: Justin Marquez
Firm: Wilshire Law Firm, PLC
Contact Number: (213) 381-9988, Ext. 345
Email: justin@wilshirelawfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on 180 Class Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	2	\$250.00
Programming Database & Setup	\$125.00	2	\$250.00
Toll Free Setup*	\$136.54	1	\$136.54
Call Center & Long Distance	\$2.00	16	\$32.00
NCOA (USPS)	\$45.00	2	\$90.00
Total			\$758.54

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Spanish Translation / Reporting			
Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$125.00	2	\$250.00
Data Merge & Duplication Scrub	\$0.50	180	\$90.00
Notice Packet & Opt-Out Form	\$1.25	180	\$225.00
Estimated Postage (up to 2 oz.)*	\$0.87	180	\$156.60
Static Website	\$200.00	1	\$200.00
Language Translation	\$1,000.00	1	\$1,000.00
Total			\$1,921.60

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	3	\$165.00
Skip Tracing Undeliverables	\$1.25	18	\$22.50
Remail Notice Packets	\$1.25	18	\$22.50
Estimated Postage	\$0.87	18	\$15.66
Programming Undeliverables	\$50.00	2	\$100.00
Total			\$325.66

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	2	\$270.00
Non Opt-Out Processing	\$100.00	1	\$100.00
Case Associate	\$55.00	2	\$110.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	5	\$45.00
Case Manager	\$85.00	3	\$255.00
Total			\$780.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$95.00	2	\$190.00
QSF Bank Account & EIN	\$100.00	2	\$200.00
Check Run Setup & Printing	\$125.00	3	\$375.00
Mail Class Checks *	\$1.50	180	\$270.00
Estimated Postage	\$0.64	180	\$115.20
Total			\$1,650.20

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	3	\$375.00
Remail Undeliverable Checks (Postage Included)	\$1.50	36	\$54.00
Case Associate	\$55.00	3	\$165.00
Reconcile Uncashed Checks	\$75.00	2	\$150.00
Conclusion Reports	\$75.00	2	\$150.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$125.00	2	\$250.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,250.00	1	\$1,250.00
Total			\$2,564.00

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$8,000.00



CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

Exhibit 4



ELM Solutions

2022 Real Rate Report[®]

The industry's leading
analysis of law firm rates,
trends, and practices

Table of Contents - 2022 Real Rate Report

A Letter to Our Readers • 4

Report Use Considerations • 5

Section I: High-Level Data Cuts • 8

- Partners, Associates, and Paralegals
- Partners, Associates, and Paralegals by Practice Area and Matter Type
- Partners and Associates by City
- Partners and Associates by City and Matter Type
- Partners by City and Years of Experience
- Associates by City and Years of Experience
- Partners and Associates by Firm Size and Matter Type

Section II: Industry Analysis • 63

- Partners, Associates, and Paralegals by Industry Group
- Partners and Associates by Industry Group and Matter Type
- Basic Materials and Utilities
- Consumer Goods
- Consumer Services
- Financials (Excluding Insurance)
- Health Care
- Industrials
- Technology and Telecommunications

Section III: Practice Area Analysis • 84

- Bankruptcy and Collections
- Commercial
- Corporate: Mergers, Acquisitions, and Divestitures
- Corporate: Regulatory and Compliance
- Corporate: Other
- Employment and Labor
- Environmental
- Finance and Securities
- General Liability (Litigation Only)
- Insurance Defense (Litigation Only)
- Intellectual Property: Patents
- Intellectual Property: Trademarks
- Intellectual Property: Other
- Real Estate

Section IV: In-Depth Analysis for Select US Cities • 172

- Boston, MA
- Chicago, IL
- Los Angeles, CA
- New York, NY
- Philadelphia, PA
- San Francisco, CA
- Washington, DC

Section V: International Analysis • 191

Section VI: Matter Staffing Analysis • 221

Appendix: Data Methodology • 226

Report Use Considerations

2022 Real Rate Report

- Examines law firm rates over time
- Identifies rates by location, experience, firm size, areas of expertise, industry, and timekeeper role (i.e., partner, associate, and paralegal)
- Itemizes variables that drive rates up or down

All the analyses included in the report derive from the actual rates charged by law firm professionals as recorded on invoices submitted and approved for payment.

Examining real, approved rate information, along with the ranges of those rates and their changes over time, highlights the role these variables play in driving aggregate legal cost and income. The analyses can energize questions for both corporate clients and law firm principals.

Clients might ask whether they are paying the right amount for different types of legal services, while law firm principals might ask whether they are charging the right amount for legal services and whether to modify their pricing approach.

Some key factors¹ that drive rates²:

Attorney location - Lawyers in urban and major metropolitan areas tend to charge more when compared with lawyers in rural areas or small towns.

Litigation complexity - The cost of representation will be higher if the case is particularly complex or time-consuming; for example, if there are a large number of documents to review, many witnesses to depose, and numerous procedural steps, the case is likely to cost more (regardless of other factors like the lawyer's level of experience).

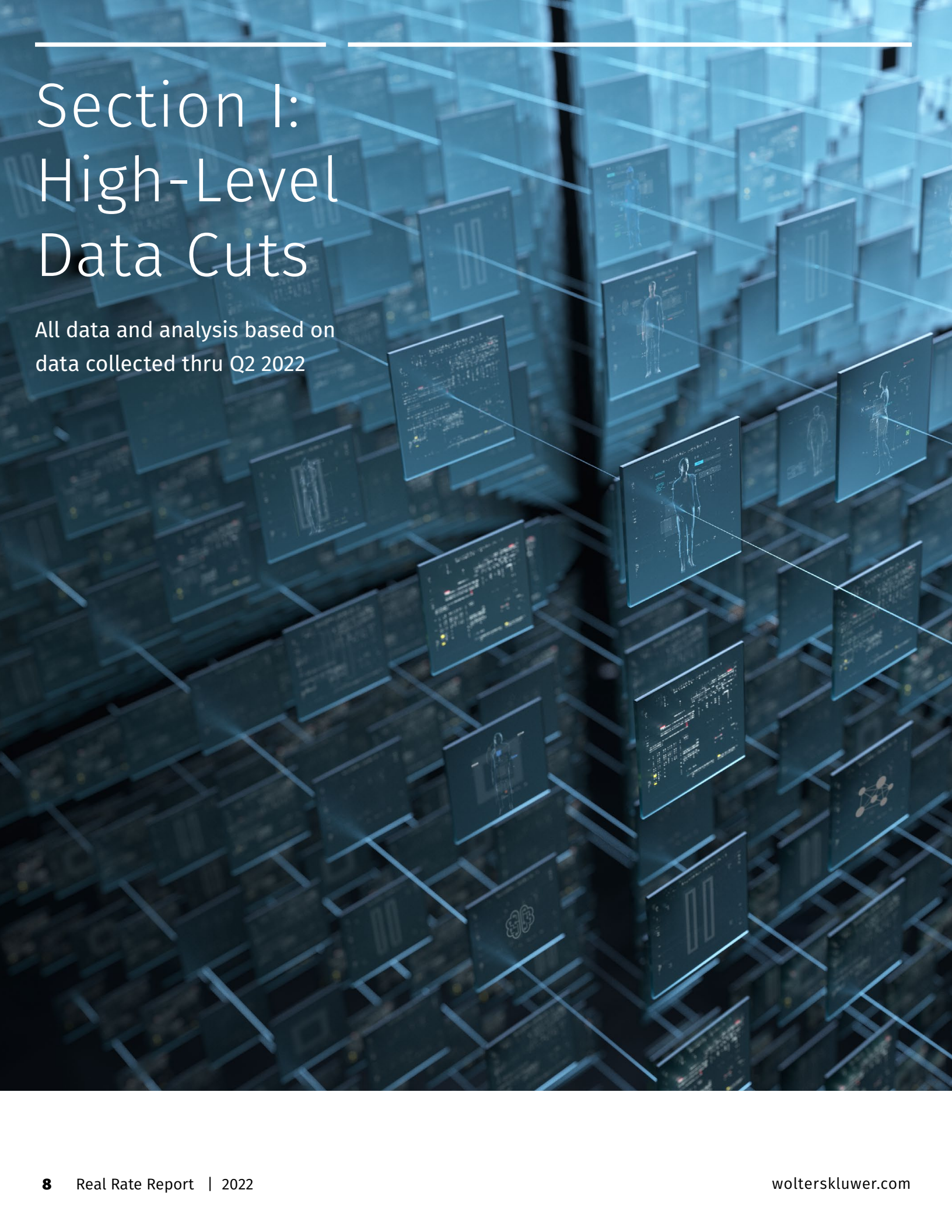
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural issues.

Overhead - The costs associated with the firm's support network (paralegals, clerks, and assistants), document preparation, consultants, research, and other expenses.

Firm size - The rates can increase if the firm is large and has various timekeeper roles at the firm. For example, the cost to work with an associate or partner at a larger firm will be higher compared to a firm that has one to two associates and a paralegal.

¹ David Goguen, J.D., University of San Francisco School of Law (2020) Guide to Legal Services Billing Retrieved from: <https://www.lawyers.com/legal-info/research/guide-to-legal-services-billing-rates.html>

² Source: 2018 RRR. Factor order validated in multiple analyses since 2010



Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Jackson MS	Litigation	Associate	56	\$55	\$225	\$250	\$178	\$203	\$175
	Non-Litigation	Partner	24	\$315	\$420	\$485	\$418	\$394	\$375
		Associate	25	\$55	\$126	\$255	\$155	\$125	\$259
Kansas City MO	Litigation	Partner	74	\$413	\$450	\$556	\$472	\$450	\$450
		Associate	50	\$252	\$329	\$385	\$319	\$316	\$305
	Non-Litigation	Partner	101	\$411	\$487	\$615	\$519	\$487	\$464
		Associate	73	\$250	\$320	\$385	\$322	\$312	\$285
Las Vegas NV	Non-Litigation	Partner	20	\$350	\$425	\$525	\$440	\$422	\$432
		Associate	11	\$238	\$267	\$368	\$301	\$297	\$282
Little Rock AR	Non-Litigation	Partner	11	\$215	\$215	\$308	\$264	\$256	\$298
Los Angeles CA	Litigation	Partner	322	\$516	\$725	\$1,045	\$799	\$739	\$702
		Associate	408	\$400	\$615	\$855	\$642	\$606	\$564
	Non-Litigation	Partner	521	\$596	\$868	\$1,201	\$903	\$902	\$858
		Associate	667	\$441	\$603	\$845	\$653	\$712	\$648

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Minneapolis MN	Non-Litigation	Associate	83	\$340	\$421	\$528	\$425	\$408	\$384
Nashville TN	Litigation	Partner	24	\$275	\$320	\$456	\$363	\$378	\$403
	Non-Litigation	Partner	78	\$412	\$484	\$576	\$505	\$481	\$470
		Associate	59	\$270	\$330	\$384	\$340	\$315	\$285
New Orleans LA	Litigation	Partner	47	\$290	\$332	\$412	\$343	\$330	\$340
		Associate	42	\$231	\$243	\$340	\$278	\$290	\$275
	Non-Litigation	Partner	32	\$295	\$347	\$405	\$419	\$380	\$391
		Associate	21	\$244	\$250	\$278	\$273	\$303	\$258
New York NY	Litigation	Partner	614	\$475	\$675	\$1,088	\$808	\$784	\$746
		Associate	631	\$323	\$460	\$729	\$545	\$527	\$509
	Non-Litigation	Partner	1,376	\$765	\$1,235	\$1,638	\$1,189	\$1,139	\$1,090
		Associate	1,809	\$550	\$776	\$1,050	\$796	\$766	\$716
Oklahoma City OK	Non-Litigation	Partner	14	\$235	\$338	\$393	\$337	\$319	\$311
Omaha NE	Litigation	Partner	12	\$293	\$339	\$353	\$329	\$338	\$341

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Rochester NY	Non-Litigation	Partner	12	\$270	\$360	\$488	\$386	\$341	\$446
		Associate	13	\$220	\$310	\$375	\$314	\$278	\$287
Sacramento CA	Non-Litigation	Partner	11	\$381	\$437	\$682	\$534	\$559	\$516
Salt Lake City UT	Litigation	Partner	14	\$246	\$353	\$468	\$363	\$333	\$379
	Non-Litigation	Partner	42	\$297	\$371	\$447	\$391	\$363	\$353
		Associate	22	\$220	\$240	\$270	\$248	\$247	\$228
San Diego CA	Litigation	Associate	23	\$151	\$225	\$300	\$255	\$258	\$264
	Non-Litigation	Partner	89	\$332	\$540	\$1,066	\$699	\$667	\$649
		Associate	71	\$250	\$325	\$424	\$373	\$378	\$351
San Francisco CA	Litigation	Partner	143	\$423	\$675	\$995	\$742	\$711	\$691
		Associate	98	\$325	\$430	\$731	\$525	\$517	\$470
	Non-Litigation	Partner	221	\$475	\$750	\$950	\$758	\$746	\$741
		Associate	151	\$338	\$486	\$702	\$545	\$563	\$507
San Jose CA	Litigation	Partner	33	\$654	\$921	\$1,133	\$916	\$907	\$864

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
San Jose CA	Litigation	Associate	22	\$461	\$580	\$745	\$608	\$593	\$498
	Non-Litigation	Partner	50	\$660	\$864	\$1,303	\$969	\$985	\$887
		Associate	46	\$380	\$460	\$775	\$616	\$639	\$567
Seattle WA	Litigation	Partner	76	\$497	\$655	\$760	\$635	\$567	\$510
		Associate	61	\$394	\$468	\$530	\$447	\$453	\$395
	Non-Litigation	Partner	148	\$410	\$526	\$760	\$571	\$547	\$547
		Associate	113	\$310	\$395	\$502	\$422	\$401	\$377
St. Louis MO	Litigation	Partner	46	\$260	\$350	\$435	\$376	\$373	\$388
		Associate	17	\$197	\$225	\$250	\$228	\$237	\$232
	Non-Litigation	Partner	57	\$352	\$419	\$540	\$451	\$446	\$473
Tampa FL	Litigation	Partner	31	\$369	\$508	\$595	\$490	\$467	\$452
		Associate	15	\$269	\$298	\$368	\$316	\$302	\$306
Trenton NJ	Non-Litigation	Partner	21	\$408	\$600	\$700	\$569	\$620	\$581
		Associate	12	\$480	\$495	\$500	\$448	\$376	\$387

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	3 to Fewer Than 7 Years	15	\$270	\$325	\$360	\$318	\$295	\$283
	7 or More Years	28	\$292	\$334	\$391	\$333	\$312	\$302
Los Angeles CA	Fewer Than 3 Years	63	\$429	\$595	\$654	\$556	\$524	\$488
	3 to Fewer Than 7 Years	144	\$486	\$688	\$838	\$662	\$626	\$530
	7 or More Years	171	\$351	\$550	\$840	\$600	\$634	\$586
Miami FL	3 to Fewer Than 7 Years	19	\$300	\$360	\$457	\$380	\$331	\$313
	7 or More Years	36	\$295	\$450	\$595	\$460	\$433	\$385
Minneapolis MN	Fewer Than 3 Years	11	\$374	\$405	\$446	\$408		\$230
	3 to Fewer Than 7 Years	27	\$340	\$451	\$510	\$421	\$358	\$356
	7 or More Years	27	\$423	\$468	\$585	\$478	\$438	\$392
Nashville TN	7 or More Years	12	\$219	\$245	\$345	\$282	\$266	\$262
New Orleans LA	3 to Fewer Than 7 Years	12	\$232	\$243	\$265	\$261	\$242	\$245
	7 or More Years	18	\$243	\$312	\$343	\$306	\$318	\$294
New York NY	Fewer Than 3 Years	142	\$443	\$622	\$775	\$629	\$600	\$652

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	Fewer Than 21 Years	46	\$400	\$450	\$537	\$473	\$411	\$397
	21 or More Years	68	\$440	\$553	\$658	\$539	\$497	\$491
Las Vegas NV	Fewer Than 21 Years	12	\$284	\$381	\$495	\$389	\$349	\$343
	21 or More Years	13	\$350	\$425	\$515	\$468	\$456	\$472
Los Angeles CA	Fewer Than 21 Years	183	\$533	\$801	\$1,075	\$804	\$797	\$682
	21 or More Years	333	\$550	\$765	\$1,133	\$863	\$842	\$808
Memphis TN	Fewer Than 21 Years	14	\$288	\$331	\$380	\$345	\$317	\$328
	21 or More Years	15	\$355	\$415	\$425	\$394	\$382	\$375
Miami FL	Fewer Than 21 Years	57	\$370	\$450	\$598	\$490	\$498	\$443
	21 or More Years	104	\$388	\$581	\$749	\$584	\$580	\$536
Milwaukee WI	21 or More Years	16	\$302	\$454	\$613	\$589	\$515	\$530
Minneapolis MN	Fewer Than 21 Years	36	\$470	\$530	\$607	\$532	\$486	\$499
	21 or More Years	84	\$507	\$675	\$796	\$656	\$620	\$589
Nashville TN	Fewer Than 21 Years	28	\$375	\$405	\$535	\$449	\$405	\$397



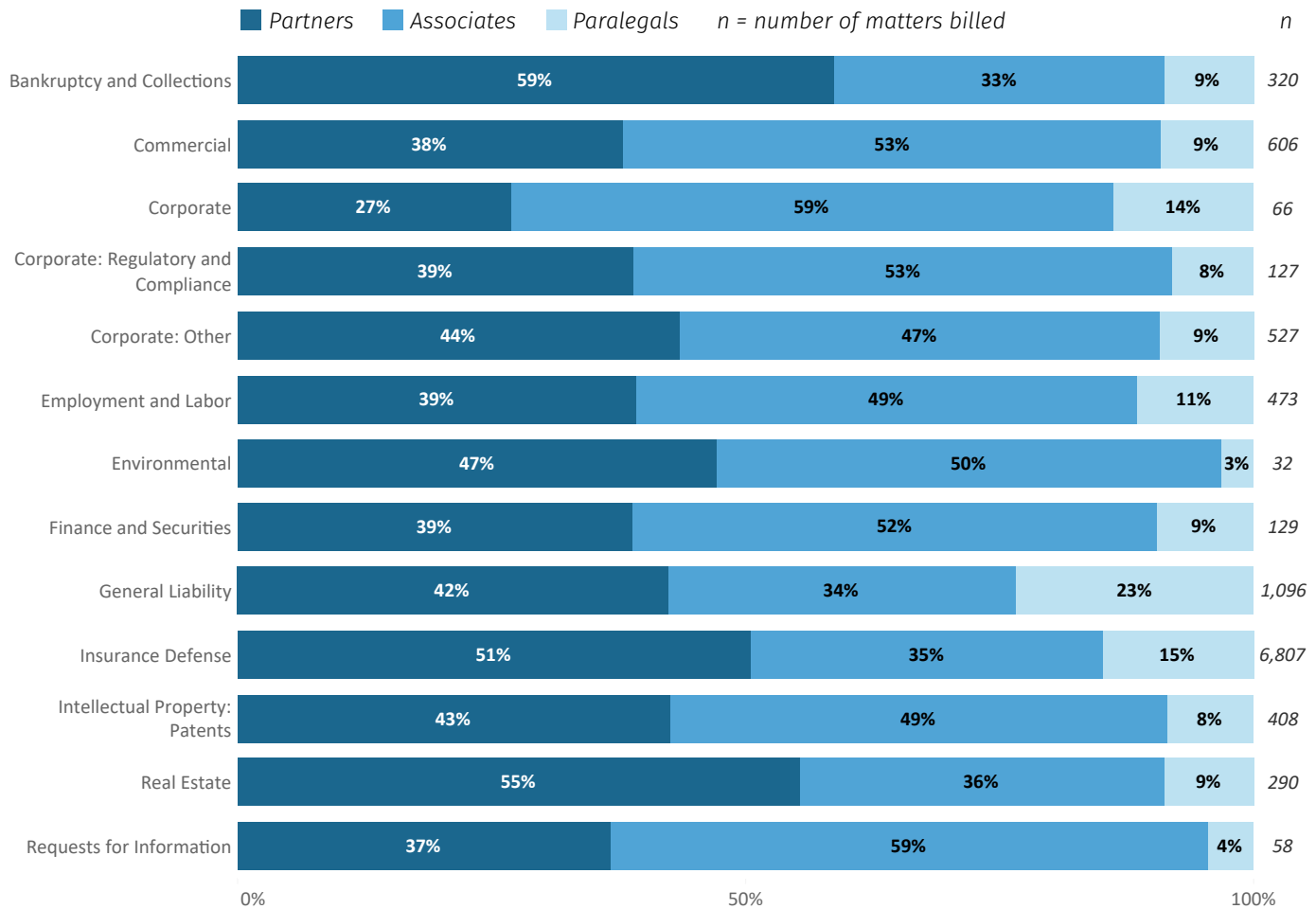
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

Data in Wolters Kluwer ELM Solutions' reference database and the 2022 Real Rate Report were taken from invoice line-item entries contained in invoices received and approved by participating companies.

Invoice data were received in the Legal Electronic Data Exchange Standard (LEDES) format (LEDES.org). The following information was extracted from those invoices and their line items:

- Law firm (which exists as a random number in the ELM Solutions reference database)
- Timekeeper ID (which exists as a random number in the ELM Solutions reference database)
- Matter ID (which exists as a random number in the ELM Solutions reference database)
- Timekeeper's position (role) within the law firm (partner, associate, paralegal, etc.)
- Uniform Task-Based Management System Code Set, Task Codes, and Activity Codes (UTBMS.com)
- Date of service
- Hours billed
- Hourly rate billed
- Fees billed

Non-Invoice Information

To capture practice area details, the matter ID within each invoice was associated with matter profiles containing areas of work in the systems of each company. The areas of work were then systematically categorized into legal practice areas. Normalization of practice areas was done based on company mappings to system-level practice areas available in the ELM Solutions system and by naming convention.

The majority of analyses included in this report have been mapped to one of 11 practice areas, further divided into sub-areas and litigation/non-litigation (for more information on practice areas and sub-areas, please refer to pages 232-234).

To capture location and jurisdiction details, law firms and timekeepers were systematically mapped to the existing profiles within ELM Solutions systems, as well as with publicly available data sources for further validation and normalization. Where city location information is provided, it includes any address within that city's defined Core-Based Statistical Area (CBSA) as defined by the Office of Management and Budget (OMB). The CBSAs are urban centers with populations of 10,000 or more and include all adjacent counties that are economically integrated with that urban center.

Where the analyses focus on partners, associates, and paralegals, the underlying data occasionally included some sub-roles, such as "senior partner" or "junior associate." In such instances, those timekeeper sub-roles were placed within the broader partner, associate, and paralegal segments.

Demographics regarding law firm size, location, and lawyer years of experience were augmented by incorporating publicly available information.

Appendix: Data Methodology

A Note on US Cities

Principal City	CBSA Name
Hartford, CT	Hartford-East Hartford-Middletown, CT
Honolulu, HI	Urban Honolulu HI
Houston, TX	Houston-The Woodlands-Sugar Land, TX
Indianapolis, IN	Indianapolis-Carmel-Anderson, IN
Jackson, MS	Jackson, MS
Jacksonville, FL	Jacksonville, FL
Kansas City, MO	Kansas City, MO-KS
Lafayette, LA	Lafayette, LA
Las Vegas, NV	Las Vegas-Henderson-Paradise, NV
Lexington, KY	Lexington-Fayette, KY
Little Rock, AR	Little Rock-North Little Rock-Conway, AR
Los Angeles, CA	Los Angeles-Long Beach-Anaheim, CA
Louisville, KY	Louisville/Jefferson County, KY-IN
Madison, WI	Madison, WI
Memphis, TN	Memphis-Forrest City, TN-MS-AR
Miami, FL	Miami-Fort Lauderdale-Pompano Beach, FL
Milwaukee, WI	Milwaukee-Waukesha, WI
Minneapolis, MN	Minneapolis-St. Paul-Bloomington, MN-WI
Nashville, TN	Nashville-Davidson-Murfreesboro-Franklin, TN
New Haven, CT	New Haven-Milford, CT
New Orleans, LA	New Orleans-Metairie, LA
New York, NY	New York-Newark-Jersey City, NY-NJ-PA
Oklahoma City, OK	Oklahoma City, OK
Omaha, NE	Omaha-Council Bluffs, NE-IA
Orlando, FL	Orlando-Kissimmee-Sanford, FL
Philadelphia, PA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Phoenix, AZ	Phoenix-Mesa-Chandler, AZ
Pittsburgh, PA	Pittsburgh, PA
Portland, ME	Portland-South Portland, ME
Portland, OR	Portland-Vancouver-Hillsboro, OR-WA
Providence, RI	Providence-Warwick, RI-MA
Raleigh, NC	Raleigh-Cary, NC
Reno, NV	Reno-Carson City-Fernley, NV

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections

General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

Contract Breach or Dispute
General, Drafting, and Review
General/Other

Corporate¹

Antitrust and Competition
Corporate Development
General/Other
Governance
Information and Technology
Mergers, Acquisitions, and Divestitures

Partnerships and Joint Ventures
Regulatory and Compliance
Tax
Treasury
White Collar/Fraud/Abuse

Employment and Labor

ADA
Agreements
Compensation and Benefits
Discrimination, Retaliation, and Harassment/EEO
Employee Dishonesty/Misconduct
ERISA

General/Other
Immigration
Union Relations and Negotiations/NLRB
Wages, Tips, and Overtime
Wrongful Termination

Environmental

General/Other
Health and Safety

Superfund
Waste/Remediation

Finance and Securities

Commercial Loans and Financing
Debt/Equity Offerings
Fiduciary Services
General/Other

Investments and Other Financial Instruments
Loans and Financing
SEC Filings and Financial Reporting
Securities and Banking Regulations

General Liability

Asbestos/Mesothelioma
Auto and Transportation
Consumer Related Claims
Crime, Dishonesty and Fraud
General/Other

Personal Injury/Wrongful Death
Premises
Product and Product Liability
Property Damage
Toxic Tort

¹ All references to “Corporate: General/Other” in the Real Rate Report are the aggregation of all Corporate sub-areas excluding the Mergers, Acquisitions, and Divestitures sub-area and the Regulatory and Compliance sub-area.

Exhibit 5

Free Newsletter Sign Up

Business & Practice

Big Law Rates Topping \$2,000 Leave Value ‘In Eye of Beholder’

By Roy Strom

Column

June 9, 2022, 2:30 AM

Welcome back to the Big Law Business column on the changing legal marketplace written by me, Roy Strom. Today, we look at a new threshold for lawyers' billing rates and why it's so difficult to put a price on high-powered attorneys. Sign up to receive this column in your inbox on Thursday mornings. Programming note: Big Law Business will be off next week.

Some of the nation's top law firms are charging more than \$2,000 an hour, setting a new pinnacle after a two-year burst in demand.

Partners at Hogan Lovells and Latham & Watkins have crossed the threshold, according to court documents in bankruptcy cases filed within the past year.

Other firms came close to the mark, billing more than \$1,900, according to the documents. They include Kirkland & Ellis, Simpson Thacher & Bartlett, Boies Schiller Flexner, and Sidley Austin.

Simpson Thacher & Bartlett litigator Bryce Friedman, who helps big-name clients out of jams, especially when they're accused of fraud, charges \$1,965 every 60 minutes, according to a court document.

In need of a former acting US Solicitor General? Hogan Lovells partner Neal Katyal bills time at \$2,465 an hour. Want to hire famous litigator David Boies? That'll cost \$1,950 an hour (at least). Reuters was first to report their fees.

Eye-watering rates are nothing new for Big Law firms, which typically ask clients to pay higher prices at least once a year, regardless of broader market conditions.

"Value is in the eye of the beholder," said John O'Connor, a San Francisco-based expert on legal fees. "The perceived value of a good lawyer can reach into the multi-billions of dollars."

Kirkland & Ellis declined to comment on its billing rates. None of the other firms responded to requests to comment.

Charge It Up

Big Law firms are crossing the \$2,000-an-hour threshold after two years of surging rates driven by an increase in demand for lawyers.

Firm	Highest Billing Rate
Hogan Lovells	\$2,465
Latham & Watkins	\$2,075
Kirkland & Ellis	\$1,995
Simpson Thacher & Bartlett	\$1,965
Boies Schiller Flexner	\$1,950
Sidley Austin	\$1,900

Source: Court documents

Bloomberg Law

Law firms have been more successful raising rates than most other businesses over the past 15 years.

Law firm rates rose by roughly 40 percent from 2007 to 2020, or just short of 3 percent per year, Thomson Reuters Peer Monitor data show. US inflation rose by about 28% during that time.

The 100 largest law firms in the past two years achieved their largest rate increases in more than a decade, Peer Monitor says. The rates surged more than 6% in 2020 and grew another 5.6% through November of last year. Neither level had been breached since 2008.

The price hikes occurred during a once-in-a-decade surge in demand for law services, which propelled profits at firms to new levels. Fourteen law firms reported average profits per equity partner in 2021 over \$5 million, according to data from The American Lawyer. That was up from six the previous year.

The highest-performing firms, where lawyers charge the highest prices, have outperformed their smaller peers. Firms with leading practices in markets such as mergers and acquisitions, capital markets, and real estate were forced to turn away work at some points during the pandemic-fueled surge.

Firms receive relatively tepid pushback from their giant corporate clients, especially when advising on bet-the-company litigation or billion-dollar deals.

The portion of bills law firms collected—a sign of how willingly clients pay full-freight—rose during the previous two years after drifting lower following the Great Financial Crisis. Collection rates last year breached 90% for the first time since 2009, Peer Monitor data show.

Professional rules prohibit lawyers from charging “unconscionable” or “unreasonable” rates. But that doesn’t preclude clients from paying any price they perceive as valuable, said Jacqueline Vinaccia, a San Diego-based lawyer who testifies on lawyer fee disputes.

Lawyers’ fees are usually only contested when they will be paid by a third party.

That happened recently with Hogan Lovells’ Katyal, whose nearly \$2,500 an hour fee was contested in May by a US trustee overseeing a bankruptcy case involving a Johnson & Johnson unit facing claims its talc-based powders caused cancer.

The trustee, who protects the financial interests of bankruptcy estates, argued Katyal’s fee was more than \$1,000 an hour higher than rates charged by lawyers in the same case at Jones Day and Skadden Arps Slate Meagher & Flom.

A hearing on the trustee’s objection is scheduled for next week. Hogan Lovells did not respond to a request for comment on the objection.

Vinaccia said the firm’s options will be to reduce its fee, withdraw from the case, or argue the levy is reasonable, most likely based on Katyal’s extensive experience arguing appeals.

Still, the hourly rate shows just how valuable the most prestigious lawyers’ time can be—even compared to their highly compensated competitors.

“If the argument is that Jones Day and Skadden Arps are less expensive, then you’re already talking about the cream of the crop, the top-of-the-barrel law firms,” Vinaccia said. “I can’t imagine a case in which I might argue those two firms are more reasonable than the rates I’m dealing with.”

Worth Your Time

On Cravath: Cravath Swaine & Moore is heading to Washington, opening its first new office since 1973 by hiring former heads of the U.S. Securities and Exchange Commission and Federal Deposit Insurance Corporation. Meghan Tribe reports the move comes as Big Law firms are looking to add federal government expertise as clients face more regulatory scrutiny.

On Big Law Promotions: It’s rare that associates get promotions to partner in June, but Camille Vasquez is now a Brown Rudnick partner after she shot to fame representing Johnny Depp in his defamation trial against ex-wife Amber Heard.

On Working From Home: I spoke this week with Quinn Emanuel’s John Quinn about why he thinks law firm life is never going back to the office-first culture that was upset by the pandemic. Listen to the podcast [here](#).



That's it for this week! Thanks for reading and please send me your thoughts, critiques, and tips.

To contact the reporter on this story: Roy Strom in Chicago at rstrom@bloomberglaw.com

To contact the editors responsible for this story: Chris Opfer at copfer@bloomberglaw.com; John Hughes at jhughes@bloombergindustry.com

Documents

[Trustee's Objection](#)

Related Articles

[Overworked Big Law Can't Find Enough Lawyers With Demand Surging](#)

Dec. 9, 2021, 3:00 AM

[Never Underestimate Big Law's Ability to Raise Billing Rates](#)

Aug. 12, 2021, 3:00 AM

Law Firms

Simpson Thacher
Hogan Lovells
Jones Day
Skadden
Sidley Austin
Quinn Emanuel
Cravath Swaine & Moore
Latham & Watkins
Kirkland & Ellis
Boies Schiller Flexner

Topics

expert fees
compensation of bankruptcy attorney
acquisitions
U.S. trustees
financial markets
client-paid legal fees
data breaches

Companies

Johnson & Johnson
Thomson Reuters Corp

Octavio Augusto Arias v. The Shyft Group GTB, LLC, et al.
22STCV37390

I, Sandy S. Sespene, state that I am employed in the aforesaid County, State of California; I am over the age of eighteen years and not a party to the within action; my business address is 3055 Wilshire Blvd., 12th Floor, Los Angeles, California 90010. My electronic service address is ssespene@wilshirelawfirm.com.

On April 23, 2024, I served the foregoing **DECLARATION OF JUSTIN F. MARQUEZ IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**, on the interested parties by placing a true copy thereof, enclosed in a sealed envelope by following one of the methods of service as follows:

Shareef Farag (SBN 251650)
sfarag@bakerlaw.com
 Kerri Sakaue (SBN 301043)
ksakaue@bakerlaw.com
 Reem Chehade (SBN 347268)
rchehade@bakerlaw.com
 Nancy Brazil
nbrazil@bakerlaw.com
 Laura Hua
lhua@bakerlaw.com
 Andrea Augustine
aaugustine@bakerlaw.com
BAKER & HOSTETLER LLP
 1900 Avenue of the Stars, Suite 2700
 Los Angeles, CA 90067
 Tel: (310) 820-8800
 Fax: (310) 820-8859

Attorneys for Defendant

(X) **BY UPLOAD:** I hereby certify that the documents were uploaded by my office to the State of California Labor and Workforce Development Agency Online Filing Site.

(X) **BY ELECTRONIC SERVICE:** Based on a court order or an agreement of the parties to accept electronic service, I caused the documents to be sent to the persons at the electronic service addresses listed above via third-party cloud service **CASEANYWHERE**.

I declare under the penalty of perjury under the laws of the State of California, that the foregoing is true and correct.

Executed on April 23, 2024, at Los Angeles, California.


Sandy S. Sespene