

1 **AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE**

2 This Class Action and PAGA Settlement Agreement and Release (“Agreement”) is made by
3 and between Plaintiffs Patrick Lambert and Deorlandro Brown (“Plaintiffs”) and Defendant
4 PHILLIPS FEED SERVICE, INC., a Pennsylvania corporation, dba PHILLIPS PET FOOD &
5 SUPPLIES (erroneously sued as PHILLIPS FEED SERVICE INC., a California Corporation and
6 PHILLIPS FEED SERVICE COMPANY, INCORPORATED) (“Defendant”). The Agreement
7 refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

8 This Agreement shall be binding on Plaintiffs, the Settlement Class Members, the PAGA
9 employees, and on Defendant, and is subject to the definitions, recitals, and terms set forth herein
10 and the approval of the Court.

11 **1. DEFINITIONS.**

12 1.1. “Action” means Plaintiffs’ lawsuit alleging wage and hour violations against
13 Defendant captioned *Patrick Lambert v. Phillips Feed Service, Inc., et al.*, initiated
14 on January 25, 2022, amended on March 16, 2022, and pending in the Superior Court
15 of the State of California, County of Sacramento, Case No. 34-2022-00314487. As
16 a part of this Agreement, the Parties stipulated to the filing of a Second Amended
17 Complaint to reflect the addition of Deorlandro Brown as an additional Plaintiff in
18 this action, solely for purposes of this Settlement. If the Court denies Final Approval
19 of the Settlement despite best efforts of the Parties, the Second Amended Complaint
20 becomes null and void with no force or effect, and the Action will resume as if this
21 Agreement had not been reached.

22 1.2. “Administrator” or “Settlement Administrator” means Xpand Legal Consulting, the
23 neutral entity the Parties have agreed to appoint to administer the Settlement.

24 1.3. “Administration Expenses Payment” means the amount the Settlement Administrator
25 will be paid from the Gross Settlement Amount to reimburse its reasonable fees and
26 expenses in accordance with the Settlement Administrator’s “not to exceed” bid
27 submitted to the Court in connection with Preliminary Approval of the Settlement.

28 1.4. “Class” means all individuals who have been, or currently are, employed by

Defendant in California as non-exempt employees during the Class Period. For Class Members who worked or are working as commercial truck drivers, those day(s) or week(s) working as commercial truck drivers will be excluded from the Workweek calculation. If Class Members only worked as commercial truck drivers during the Class Period, then those individuals are excluded from the Class entirely.

1.5. “Class Counsel” means Ashley Davenport PC from Davenport Law PC, Patricio T.D. Barrera from Barrera & Associates and Raul Perez from Capstone Law APC.

1.6. “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reimbursement of reasonable attorneys’ fees incurred in connection with the Action, including their pre-filing investigations, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, if approved by the Court, which shall be paid from the Gross Settlement Amount as set forth in Section 3.2.2 of this Agreement and shall not exceed one third (33.33%) of the Gross Settlement Amount, or \$266,640.00 (33.33% of \$800,000.00).

1.7. “Class Counsel Litigation Expenses Payment” means the amount of actual litigation expenses incurred by Class Counsel in connection with the Action, not to exceed \$10,000.00.

1.8. “Class Data” means Class Member identifying information in Defendant’s possession, including the Class Member’s name, all last-known mailing address(es) in Defendant’s file, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods. This Class Data shall not be shared with Class Counsel, but, instead, be treated as confidential by the Administrator.

1.9. “Class Member” means a member of the Class, either as a Settlement Class Member or Non-Participating Class Member, and all PAGA Employees (including a Non-Participating Class Member who qualifies as an PAGA Employee).

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current mailing addresses of Class Members using all reasonably available sources, methods and means, including, but not limited to, the National Change of

Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. “Class Notice” means the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, to be mailed to Class Members in English, 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 January 25, 2018, through the date of the filing of the Motion for Preliminary Approval of this Settlement.

1.13. “Class Representatives” means Patrick Lambert, the successor in interest to the original named Plaintiff, and Deorlandro Brown to be named as a Plaintiff in the Second Amended Complaint in the Action seeking Court approval to serve as class representatives.

1.14. “Class Representative Service Payments” means the payment approved by the Court to the Class Representatives for initiating the Action, providing services in support of the Action, and for signing a general release pursuant to this Agreement. The Class Representative Service Payments shall be paid from the Gross Settlement Amount and shall not exceed Ten Thousand Dollars (\$10,000.00) in the cumulative amount, with \$5,000 paid to Patrick Lambert, the successor in interest of the original Plaintiff, and \$5,000 to Deorlandro Brown.

1.15. “Court” means the Superior Court of California, County of Sacramento.

1.16. “Day” means calendar day, unless expressly stated otherwise. 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.

1.17. “Defense Counsel” means Dan M. Forman, Esq., and Linda Wang, Esq., of CDF Labor Law 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

1 occurrences: (a) if no Settlement Class Member objects to the Settlement, or if an
2 objection is filed but is withdrawn prior to the Court's Final Approval Hearing, the
3 day the Court enters Judgment; (b) if one or more Settlement Class Members objects
4 to the Settlement, the later of the following events: (i) the day after the deadline for
5 filing a notice of appeal from the Judgment, and no appeal is filed; (ii) if a timely
6 appeal from the Judgment is filed, and is finally disposed of by ruling, dismissal,
7 denial, or otherwise, the day after the last date for filing a request for further review
8 of the Court of Appeal's decision passes and no further review is requested; or (iii) if
9 an appeal is filed and there is a final disposition by ruling, dismissal, denial, or
10 otherwise by the Court of Appeal, and further review of the Court of Appeal's decision
11 is requested, the day after the request for review is denied with prejudice and/or no
12 further review of the order can be requested; or if review is accepted, the day the
13 Supreme Court of the State of California affirms the Agreement.

14 1.19. "Final Approval" means the Court's order granting final approval of the Settlement.

15 1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final
16 Approval of the Settlement to determine whether to approve finally and implement
17 the terms of this Agreement and enter the Judgment.

18 1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final
19 Approval of the Settlement.

20 1.22. "Gross Settlement Amount" means \$800,000.00 which is the total amount Defendant
21 agrees to pay under this Agreement, except as provided in Paragraph 4.1 below and
22 except that the employer's share of payroll taxes will be paid by Defendant separate
23 and apart from the Gross Settlement Amount. The Gross Settlement Amount will be
24 used to pay Individual Class Payments, Individual PAGA Payments, the LWDA
25 PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses, Class
26 Representative Service Payments, and the Administrator's Expenses Payment. This
27 Gross Settlement Amount is an all-in amount without any reversion to Defendant,
28 and excludes any employer payroll taxes, if any, due on the portion of the Individual

Class Payments allocated to wages which shall not be paid from the Gross Settlement Amount and shall be the separate additional obligation of Defendant.

1.23. “Individual Class Payment” means each Settlement Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked by each Settlement Class Member during the Class Period in proportion to the aggregate number of Workweeks worked by all Settlement Class Members in the Class Period.

1.24. “Individual PAGA Payment” means each PAGA Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked by each individual PAGA Employee during the PAGA Period in proportion to the aggregate number of PAGA Pay Periods worked by all PAGA Employees in the PAGA Period.

1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled under Labor Code section 2699, subd. (i).

1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties to be paid to the LWDA under Labor Code section 2699, subd. (i).

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

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

1.30. “Notice Mailing Deadline” means the date by which the Administrator shall mail the Class Notice to Class Members, which shall be no later than 14 calendar days after the Administrator receives the Class Data from Defendant.

- 1.31. “Operative Complaint” means the Second Amended Complaint.
- 1.32. “PAGA Employee” means an individual who has been, or currently is, employed by Defendant in California as a non-exempt employee during the PAGA Period. For those non-exempt employees who worked or are working as commercial truck drivers, those day(s) or week(s) working as commercial truck drivers will be excluded from the PAGA Pay Period calculation. If non-exempt employees only worked as commercial truck drivers during the PAGA Period, then those individuals are not PAGA Employees.
- 1.33. “PAGA Pay Period” means any Pay Period during which a PAGA Employee worked for Defendant for at least one day during the PAGA Period.
- 1.34. “PAGA Period” means the period from March 16, 2021, through the date of filing of the Motion for Preliminary Approval of this Settlement.
- 1.35. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.36. “PAGA Notice” means Plaintiff Lambert’s letter to the LWDA, with a copy to Defendant, on January 7, 2022, providing notice pursuant to Labor Code section 2699.3, subd.(a), and Plaintiff Brown’s impending letter to the LWDA, with a copy to Defendant.
- 1.37. “PAGA Penalties” means the total amount of PAGA civil penalties of \$50,000 to be paid from the Gross Settlement Amount, allocated 25% to the PAGA Employees (\$12,500) as Individual PAGA Payments and the remaining 75% to LWDA (\$37,500) in settlement of PAGA claims asserted in the Action.
- 1.38. “Plaintiffs” means Patrick Lambert and Deorlandro Brown, the named plaintiffs in the Action/Operative Complaint.
- 1.39. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40. “Preliminary Approval Order” means the Court order granting preliminary approval of the Settlement.
- 1.41. “Released Class Claims” means the claims being released as described in Paragraph

6.2 below.

1.42. “Released PAGA Claims” means the claims being released as described in Paragraph 6.3 below.

1.43. “Released Parties” means: Defendant and each of its former and present directors, officers, shareholders, owners, partners, members, employees, attorneys, insurers, agents, predecessors, successors, assigns, parents, subsidiaries, or affiliates.

1.44. “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. A Class Member may not submit a Request for Exclusion as to the Released PAGA Claims.

1.45. “Response Deadline” means 60 days after the Notice Mailing Deadline, or 7 days after re-mailing of the Class Notice, whichever is later, and shall be the last date on which Class Members may: (a) submit Requests for Exclusion from the Settlement, or (b) submit 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 7 calendar days beyond the Response Deadline has expired.

1.46. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.47. “Settlement Class” refers to Class Members who do not submit a timely and valid Request for Exclusion pursuant to this Agreement.

1.48. “Settlement Class Member” refers to a member of the Settlement Class.

1.49. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period. A Workweek does not include time spent by Class Members working as a commercial truck driver.

2. RECITALS.

2.1. On January 25, 2022, Plaintiff Patrick Lambert, a former employee of Defendant, filed a class action Complaint against Defendant in Sacramento County Superior Court. On March 16, 2022, Plaintiff filed his First Amended Complaint (the “Operative Complaint”) alleging the following eight (8) causes of action: (1) Failure

1 to Timely Pay for All Hours Worked, (2) Failure to Provide Meal Periods, (3) Failure
2 to Provide Rest Periods, (4) Failure to Reimburse for Reasonable Business Expense
3 Incurred, (5) Non-Compliant Wage Statements, (6) Wages Not Timely Paid Upon
4 Termination, (7) Civil Penalties for Violations of California Labor Code, Pursuant to
5 PAGA, §§ 2698 *et seq.*, and (8) Violation of California Business & Professions Code
6 §§ 17200, *et seq.*

7 2.2. Prior to filing the Operative Complaint, on January 7, 2022, Plaintiff provided the
8 LWDA with notice of his claim for recovery of civil penalties under the PAGA. After
9 the 65-day waiting period under Labor Code section 2699.3, LWDA did not notify
10 Plaintiff and his counsel that the agency would investigate the claim set forth in
11 Plaintiff's PAGA Notice.

12 2.3. On or about August 29, 2023, Defendant filed its Answer to the First Amended
13 Complaint, generally denying the allegations therein and asserting several affirmative
14 defenses. Defendant denies the allegations in the Operative Complaint, denies any
15 failure to comply with the laws identified in in the Operative Complaint, and denies
16 any and all liability for the causes of action alleged therein.

17 2.4. Prior to mediation and negotiating the Settlement, Plaintiff and Class Counsel
18 obtained, through informal and formal discovery, sufficient documents, company
19 policies, handbook, timecards and payroll records for Plaintiff and other Class
20 Members and PAGA Employees. Plaintiff's investigation was sufficient to satisfy the
21 criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48
22 Cal.App.4th 1794, 1801 and *Kullar v. FootLocker Retail, Inc.* (2008) 168 Cal.App.4th
23 116, 129-130 ("*Dunk/Kullar*").

24 2.5. On August 8, 2023, the parties participated in a full-day mediation before
25 experienced employment mediator Hon. Benny Osorio (Ret.). While the matter did
26 not settle at mediation, the Parties continued to engage in subsequent negotiations
27 through their respective counsel, and were able to agree to the material terms of this
28 Agreement.

1 2.6. At all times, Defendant denied and continues to deny any wrongdoing and deny that
2 they committed, or attempted to commit, any of the wrongful acts or violations of law
3 or duty that are alleged in the Operative Complaint, and instead contends that it has
4 acted in accordance with the law. Defendant also denies that Plaintiff or the
5 Settlement Class are entitled to any form of damages, penalties, or any relief
6 whatsoever based on the conduct alleged in the Operative Complaint and PAGA
7 Notice. In addition, Defendant maintains that it has meritorious defenses to the claims
8 alleged in the Operative Complaint and was prepared to vigorously oppose class
9 certification and defend the Action. Nevertheless, taking into account the uncertainty
10 and risks inherent in litigation, Defendant has concluded that defending the claims
11 asserted in the Operative Complaint would be burdensome and expensive, and that it
12 is desirable and beneficial to fully and finally settle and terminate the Action in the
13 manner and upon the terms and conditions set forth in this Agreement.

14 2.7. Plaintiffs believe that the claims asserted in the Operative Complaint and PAGA
15 Notice have merit. Nonetheless, Plaintiffs and Class Counsel recognize and
16 acknowledge the expense and length of continued prosecution of the claims against
17 Defendant through trial and any subsequent appeals. Plaintiffs and Class Counsel
18 have also taken into account the uncertain outcome and risks of litigation, especially
19 in complex actions, as well as the difficulties and delays inherent in such litigation.
20 Based on their evaluation, Class Counsel have concluded that the terms and conditions
21 of this Agreement are fair, reasonable, and adequate to the Settlement Class, and that
22 it is in the best interests of the Settlement Class to settle the claims alleged in the
23 Operative Complaint and PAGA Notice pursuant to the terms and provisions of this
24 Agreement.

25 2.8. This Agreement is made and entered into by and between Plaintiffs, individually and
26 on behalf of all other individuals alleged to be similarly situated, and Defendant, and
27 is subject to the terms and conditions hereof, and to the Court's approval. The Parties
28 expressly acknowledge that this Agreement is entered into solely for the purpose of

1 compromising significantly disputed claims and that nothing herein is an admission
2 of liability or wrongdoing by Defendant. The Agreement's provisions, and all related
3 drafts, communications and discussions, cannot be construed as or deemed to be
4 evidence of an admission or concession of any point of fact or law by any person or
5 entity and cannot be offered or received into evidence or requested in discovery in
6 this Action or any other action or proceeding as evidence of an admission or
7 concession. In the event that the Court does not issue Final Approval and Final
8 Judgment, or in the event that the associated judgment does not become the Final
9 Judgment for any reason, this Agreement shall be deemed null and void, it shall be of
10 no force or effect whatsoever, it shall not be referred to or used for any purpose
11 whatsoever, and the negotiations, terms, and entry of it shall remain subject to the
12 provisions of California Evidence Code sections 1119 and 1152.

13 **3. MONETARY TERMS.**

14 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 10 below,
15 Defendant promises to pay \$800,000.00 as the Gross Settlement Amount. This
16 amount is all-inclusive of all payments contemplated in this resolution, excluding
17 employer-side payroll taxes applicable to the Wage Portion of the Individual Class
18 Payments to be paid to Settlement Class Members, which shall be separately paid by
19 Defendant to the Administrator. Defendant has no obligation to pay the Gross
20 Settlement Amount (or any payroll taxes) prior to the Effective Date of this
21 Agreement. The Administrator will disburse the entire Gross Settlement Amount
22 without asking or requiring Settlement Class Members or PAGA Employees to
23 submit any claim as a condition of payment. Except as provided in Paragraph 9
24 below, in the event any party withdraws from this Settlement Agreement, Defendant
25 has no obligation to pay any portion of the Gross Settlement Amount.

26 3.2. Payments from the Gross Settlement Amount. The Administrator will make and
27 deduct the following payments from the Gross Settlement Amount, in the amounts
28 specified by the Court in the Final Approval:

1 3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of
2 not more than \$10,000.00 cumulative (in addition to any Individual Class Payment
3 and any Individual PAGA Payment the Class Representatives are entitled to receive
4 as Settlement Class Members and PAGA Employees). Defendant will not oppose
5 Plaintiffs' request for Class Representative Service Payments that do not exceed this
6 amount. As part of the motion for Class Counsel Fees Payment and Class Counsel
7 Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class
8 Representative Service Payment no later than 16 court days prior to the Final Approval
9 Hearing. If the Court approves a Class Representative Service Payment less than the
10 amount requested, the Administrator will allocate the remainder to the Net Settlement
11 Amount. The Administrator will pay the Class Representative Service Payment using
12 IRS Form 1099. Plaintiffs assume full responsibility and liability for taxes owed on
13 the Class Representative Service Payment.

14 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33.33% of the
15 Gross Settlement Amount, which is currently estimated to be \$266,640.00, and a Class
16 Counsel Litigation Expenses Payment of not more than \$10,000.00. Defendant will
17 not oppose requests for these payments provided that they do not exceed these
18 amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees
19 Payment and Class Counsel Litigation Expenses Payment no later than 16 court days
20 prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees
21 Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts
22 requested, the Administrator will allocate the remainder to the Net Settlement
23 Amount. Released Parties shall have no liability to Class Counsel or any other
24 Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee
25 Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will
26 pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment
27 using one or more IRS1099 Forms. Class Counsel assumes full responsibility and
28 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 \$7,250 except for a showing of good cause and as approved by the Court. To the extent the actual Administration Expenses Payment is less, or the Court approves payment less than \$7,250, the Administrator will retain the remainder in the Net Settlement Amount.

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

3.2.4.1. Tax Allocation of Individual Class Payments. Ten percent (10%) of each Settlement Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to the Employment and Payroll Taxes and will be reported on an IRS W-2 Form. Ninety percent (90%) of each Settlement Class Member's Individual Class Payment will be allocated to settlement of claims for non-wages, expense reimbursement, interest, and penalties (the "Non-Wage Portions"). The Non-Wage Portions are not subject to Employment and Payroll Taxes and will be reported on IRS 1099 Forms. Settlement Class Members assume full responsibility and liability for 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 Settlement Class Members on a pro rata basis.

3.2.5. To the LWDA and PAGA Employees: PAGA Penalties in the amount of \$50,000 to be paid from the Gross Settlement Amount, with 75% (\$37,500) allocated to the LWDA PAGA Payment and 25% (\$12,500) 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 PAGA Employees' 25% share of PAGA Penalties in the currently estimated amount of \$12,500 by the total number of PAGA Pay Periods worked by all PAGA Employees during the PAGA Period and (b) multiplying the result by each PAGA Employee's PAGA Pay Periods worked during the PAGA Period. PAGA 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. If the Court approves PAGA Penalties of more than the amount requested, the Administrator will reduce the Net Settlement Amount by the additional amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and PAGA Employee Pay Periods. Based on a review of its records to date, Defendant estimates that there are approximately 412 Class Members who collectively worked a total of approximately 18,780 Workweeks, and approximately 296 PAGA Employees who worked an estimated total of 5,181 PAGA Pay Periods ("Estimate"). Should the actual number of Class Workweeks exceed 120% of the Estimate (22,536 total Class Workweeks), Defendant shall either (1) increase the Global Settlement Amount on a proportional basis over 120%, or (2) back the Released Class Claims and Released PAGA Claims date to where the work weeks are 120%. For example, if the number of Class Workweeks exceeds 22,536 Workweeks by 1%, Defendant shall increase the Gross Settlement Amount by 21%

or back the Released Class Claims and Released PAGA Claims date to where the Class Workweeks are 22,536).

4.2. Class Data. Not later than 20 (20) days after the Court grants Preliminary Approval of the Settlement, Defendant will 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 the Administrator's employees who need access to the Class Data to effect and perform the Administrator's duties under this Agreement. The Administrator will not share or disclose the Class Data to Plaintiffs or Class Counsel. Defendant has a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted any Class Member's 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. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator within twenty (20) calendar 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 PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, Class Counsel Fees, the Class Counsel Expenses, and Class Representative Service Payments. Disbursement of the Class Counsel Fees and Expenses Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.5.1 The Administrator will issue checks for the Individual Class Payments and/or Individual

PAGA Payments and send them to the Settlement Class Members and PAGA Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Settlement Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all PAGA Employees, including Non-Participating Class Members who qualify as PAGA Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Settlement Class Members and PAGA Employees 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.

4.5.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without a forwarding address provided by the United States Postal Service ("USPS"). Within three (3) business days of receiving a returned check, the Administrator must re-mail the returned check 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, within five (5) business days of the Administrator's receipt of such request.

4.5.3 For any Settlement Class Member or PAGA Employee 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 Settlement Class Member or PAGA Employee, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

1 4.5.4 The payment of Individual Class Payments and Individual PAGA Payments shall not
2 obligate Defendant to confer any additional benefits or make any additional payments to
3 Class Members (such as 401(k) contributions or bonuses) beyond those specified in this
4 Agreement.

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

9 6.1 Plaintiffs' Release. Plaintiffs and their former and present spouses, representatives, agents,
10 attorneys, heirs, administrators, successors, and assigns generally, release and discharge
11 Released Parties from all claims, transactions, or occurrences that occurred during the
12 Class Period, including, but not limited to: (a) all claims that were, or reasonably could
13 have been, alleged, based on the facts contained, in the Operative Complaint and (b) all
14 PAGA claims that were, or reasonably could have been, alleged based on facts contained
15 in the Operative Complaint and Plaintiff's PAGA Notice. ("Plaintiff's Release.")
16 Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or
17 to any claims for vested benefits, unemployment benefits, disability benefits, social
18 security benefits, workers' compensation benefits that arose at any time, or based on
19 occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover
20 claims or facts or law different from, or in addition to, those which Plaintiffs now know or
21 believe to be true or exist but Plaintiffs expressly agree, nonetheless, to fully, finally and
22 forever settle and release any and all claims against the Released Parties, known or
23 unknown, suspected or unsuspected, which exist or may exist on behalf of or against the
24 other at the time of execution of this Agreement, including, but not limited to, any and all
25 claims relating to or arising from Plaintiffs' employment with Defendant. The Parties
26 further acknowledge, understand and agree that this representation and commitment is
27 essential to the Agreement and that this Agreement would not have been entered into were
28 it not for this representation and commitment.

6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish 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 Settlement Class Members: All Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint or PAGA Notice, including any and all claims involving any alleged failure to compensate for all hours worked; alleged failure to pay penalties for missed meal and rest breaks; alleged failure to pay minimum wages; alleged failure to pay overtime wages; alleged failure to furnish accurate, itemized wage statements; alleged failure to pay compensation upon termination of employment; alleged failure to reimburse business expenses; alleged violation of California's unfair business practices and unfair competition laws; alleged violation of inspection of personnel and payroll records; alleged violation of the California Industrial Welfare Commission's ("IWC") Wage Orders; alleged violation of the California Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 222.5, 225.5, 223, 226, 226.3, 226.7, 227.3, 226.8, 432, 500, 510, 512, 516, 558, 558.1, 1171, 1173, 1174, 1182.12, 1194, 1194.2, 1198, 1198.5, 1197, 1197.1 and/or 1198.5; (ii) and any damages, premiums, penalties, liquidated damages, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting based on the Operative Complaint or PAGA Notice and which occurred

1 during the Class Period. Except as set forth in Section 6.3 of this Agreement, Settlement
2 Class Members do not release any other claims, including claims for vested benefits,
3 wrongful termination, violation of the Fair Employment and Housing Act, unemployment
4 insurance, disability, social security, workers' compensation, or claims based on facts
5 occurring outside the Class Period.

6 6.3 Release by PAGA Employees: All PAGA Employees are deemed to release, on behalf of
7 themselves and their respective former and present representatives, agents, attorneys, heirs,
8 administrators, successors, and assigns, the Released Parties from (i) all claims for PAGA
9 penalties that were alleged, or reasonably could have been alleged, based on the PAGA
10 Period facts stated in the Operative Complaint and the PAGA Notice, including but not
11 limited to any alleged failure to compensate for all hours worked; alleged failure to pay
12 penalties for missed meal and rest breaks; alleged failure to pay minimum wages; alleged
13 failure to pay overtime and double time wages; alleged failure to reimburse business
14 expenses; alleged failure to furnish accurate, itemized wage statements; alleged failure to
15 pay compensation upon termination of employment; alleged violation of California's unfair
16 business practices and unfair competition laws; alleged failure to maintain accurate and
17 complete employee, payroll, and time records; alleged violation of the California Industrial
18 Welfare Commission's ("IWC") Wage Orders; alleged violation of the California Labor
19 Code sections 200, 201, 202, 203, 204, 204b, 204(d), 210, 218.5, 222.5, 225.5, 221-223,
20 226, 226(a), 226(e), 226.3, 226.6, 226.7, 227.3, 245-248.5, 256, 432.5, 432.7, 500, 510,
21 512, 512(a), 516, 558, 558.1, 1024.5, 1171, 1173, 1174, 1182.12, 1194, 1194.2, 1197,
22 1197.1, 1198, 1198.5, 1199, 2442, 2698, 2699, 2802, and 2810.5; (ii) and any damages,
23 civil penalties, interest, punitive damages, costs, attorneys' fees, based on the Operative
24 Complaint and PAGA Notice, and which occurred during the PAGA Period.

25 7. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff will prepare and file a motion
26 for preliminary approval ("Motion for Preliminary Approval") that complies with the
27 California Code of Civil Procedure, California Rules of Court, Sacramento County Superior
28 Court's Local Rules, and any other applicable rules.

7.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiff Brown confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; (vi) Class Counsel's 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. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)), and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator, and/or the *cy pres* recipient. Plaintiff shall provide drafts of all documents necessary for obtaining Preliminary Approval to Defense Counsel not later than seven (7) calendar days prior to filing the Motion for Preliminary Approval. Class Counsel and Defense Counsel will expeditiously meet and confer via email or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Preliminary Approval.

7.2 Responsibilities of Counsel. Class Counsel is responsible for obtaining a prompt hearing date for the Motion for Preliminary Approval; expeditiously finalizing and filing the Motion for Preliminary Approval no later than 16 court days prior to the 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 Order to the Administrator.

7.3 Duty to Cooperate. 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. Plaintiffs selected Xpand Legal Consulting to serve as the Administrator and verified that, as a condition of appointment, Xpand Legal Consulting agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. Plaintiffs 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 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, Workweeks, and Pay Periods identified by the Class Data.

8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via First-Class U.S. 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

1 Payment payable to the Class Member, and the number of Workweeks and
2 PAGA Pay Periods (if applicable) used to calculate these amounts. Before
3 mailing Class Notices, the Administrator shall update Class Member addresses
4 using the National Change of Address database.

5 8.4.3 Not later than three (3) business days after the Administrator's receipt of any
6 Class Notice returned by the USPS as undelivered, the Administrator shall re-
7 mail the Class Notice using any forwarding address provided by the USPS.
8 If the USPS does not provide a forwarding address, the Administrator shall
9 conduct a Class Member Address Search, and re-mail the Class Notice to the
10 most current address obtained. The Administrator has no obligation to make
11 further attempts to locate or send Class Notice to Class Members whose Class
12 Notice is returned by the USPS a second time. The Administrator's mailing
13 and/or re-mailing of the Class Notice and/or payments to Settlement Class
14 Members and PAGA Employees will be presumed to constitute adequate
15 notice of this Settlement and delivery of payment.

16 8.4.4 The deadlines for Class Members' written Objections, challenges to
17 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended
18 an additional seven (7) calendar days beyond the sixty (60) calendar days
19 otherwise provided in the Class Notice for all Class Members whose notice
20 is re-mailed. The Administrator will inform the Class Member of the
21 extended deadline with the re-mailed Class Notice by including a letter
22 explaining the extended deadline.

23 8.4.5 If the Administrator, the Parties, Defense Counsel or Class Counsel is
24 contacted by or otherwise discovers any persons who believe they should
25 have been included in the Class Data and should have received Class Notice,
26 the Parties will expeditiously meet and confer in person or by telephone, and
27 in good faith in an effort to agree on whether to include them as Class
28 Members. If the Parties agree, such persons will be Class Members entitled

1 to the same rights as other Class Members, and the Administrator will send,
2 via email or overnight delivery, a Class Notice requiring them to exercise
3 options under this Agreement not later than 14 days after receipt of Class
4 Notice, or the deadline dates in the Class Notice, which ever are later.

5 8.5 Requests for Exclusion (Opt-Outs).

6 8.5.1 Class Members who wish to exclude themselves (opt-out) from the Class
7 Settlement must send the Administrator, by email, or mail, a signed written
8 Request for Exclusion not later than the Response Deadline, i.e., sixty (60)
9 calendar days after the Administrator mails the Class Notice, or seven (7)
10 calendar days after any re-mailing of the Class Notice, whichever is later. A
11 Request for Exclusion is a letter from a Class Member or his/her
12 representative that reasonably communicates the Class Member's election to
13 be excluded from the Settlement and includes the Class Member's name,
14 address, and email address or telephone number, as well as the Class
15 Member's signature. To be valid, a Request for Exclusion must be timely
16 emailed or postmarked by the Response Deadline.

17 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because
18 it fails to contain all the information specified in the Class Notice. The
19 Administrator shall accept any Request for Exclusion as valid, if the
20 Administrator can reasonably ascertain the identity of the person as a Class
21 Member and the Class Member's desire to be excluded. The Administrator's
22 determination shall be final and not appealable or otherwise susceptible to
23 challenge. If the Administrator has reason to question the authenticity of a
24 Request for Exclusion, the Administrator may demand additional proof of the
25 Class Member's identity. The Administrator's determination of authenticity
26 shall be final and not appealable or otherwise susceptible to challenge.

27 8.5.3 Every Class Member who does not submit a timely and valid Request for
28 Exclusion is deemed to be a Settlement Class Member under this Agreement,

entitled to all benefits and bound by all terms and conditions of the Settlement, including the Settlement Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless of whether the Settlement 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 PAGA Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

8.5.5 The Class Representatives shall not opt-out of the Settlement and shall not submit a Request for Exclusion. The Class Representatives agree, by signing this Agreement, that they are accepting the terms of this Agreement.

8.6 Challenges to Calculation of Workweeks. Each Class Member and PAGA Employee shall have until the Response Deadline (plus an additional 7 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 and PAGA Employee in the Class Notice. The Class Member and/or PAGA Employee may challenge the allocation by communicating with the Administrator via email or mail. The Administrator must encourage the challenging Class Member and/or PAGA Employee to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the number(s) of Workweeks and/or PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member and PAGA Employee'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 Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges, within three (3) business days of making the determination.

8.7 Objections to Settlement.

8.7.1 Only Settlement Class Members may object to the Class 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 Payments.

8.7.2 Settlement Class Members may send written Objections to the Administrator, by email, or mail. In the alternative, Settlement Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Settlement Class Member who elects to send a written Objection to the Administrator must do so not later than the Response Deadline (plus an additional 7 days for Class Members whose Class Notice were re-mailed). The Administrator shall immediately provide any such objections to Class Counsel and Defense Counsel, who in turn will submit any such objections to the Court with the motion for Final Approval. Settlement Class Members who fail to make objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement.

8.7.3 Non-Participating Class Members have no right to object to any of the Class Settlement and/or this Agreement.

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 Email Address and Toll-Free Number. The Administrator will maintain and

1 monitor an email address and a toll-free telephone number to receive Class
2 Member or PAGA Employee calls and emails, in English.

3 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
4 promptly review, on a rolling basis, Requests for Exclusion to ascertain their
5 validity. Not later than five (5) calendar days after the expiration of the
6 Response Deadline, the Administrator shall email a list to Class Counsel and
7 Defense Counsel containing (a) the names and other identifying information
8 of Class Members who have timely submitted valid Requests for Exclusion
9 (“Exclusion List”); (b) the names and other identifying information of Class
10 Members who have submitted invalid Requests for Exclusion; (c) copies of
11 all Requests for Exclusion from Settlement submitted (whether valid or
12 invalid).

13 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written
14 reports to Class Counsel and Defense Counsel that, among other things, tally
15 the number of: Class Notices mailed or re-mailed, Class Notices returned
16 undelivered, Requests for Exclusion (whether valid or invalid) received,
17 objections received, challenges to Workweeks and/or Pay Periods received
18 and/or resolved, and checks mailed for Individual Class Payments and
19 Individual PAGA Payments (“Weekly Report”). The Weekly Reports must
20 include provide the Administrator’s assessment of the validity of Requests
21 for Exclusion and attach copies of all Requests for Exclusion and objections
22 received.

23 8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the
24 authority to address and make final decisions consistent with the terms of this
25 Agreement on all Class Member or PAGA Employee challenges over the
26 calculation of Workweeks and/or Pay Periods. The Administrator’s decision
27 shall be final and not appealable or otherwise susceptible to challenge.

28 8.8.5 Administrator’s Declaration. Not later than fourteen (14) calendar days

1 before the date by which Plaintiff is required to file the Motion for Final
2 Approval of the Settlement, the Administrator will provide to Class Counsel
3 and Defense Counsel, a signed declaration suitable for filing in Court attesting
4 to its due diligence and compliance with all of its obligations under this
5 Agreement, including, but not limited to, its mailing of Class Notice, the Class
6 Notices returned as undelivered, the re-mailing of Class Notices, attempts to
7 locate Class Members, the total number of Requests for Exclusion from
8 Settlement it received (both valid or invalid), the number of written objections
9 and attach the Exclusion List. The Administrator will supplement its
10 declaration as needed or requested by the Parties and/or the Court. Class
11 Counsel is responsible for filing the Administrator's declaration(s) in Court.

12 8.8.6 Final Report by Settlement Administrator. Within ten (10) calendar days after
13 the Administrator disburses all funds in the Gross Settlement Amount, the
14 Administrator will provide Class Counsel and Defense Counsel with a final
15 report detailing its disbursements by employee identification number only of
16 all payments made under this Agreement. At least fourteen (14) calendar
17 days before any deadline set by the Court, the Administrator will prepare, and
18 submit to Class Counsel and Defense Counsel, a signed declaration suitable
19 for filing in Court attesting to its disbursement of all payments required under
20 this Agreement. Class Counsel is responsible for filing the Administrator's
21 declaration in Court.

22 8.8.7 Post Disbursement Requests of Administrator. Should any Party request a
23 declaration from the Administrator to verify the mailing of Class Notice,
24 checks and whether a check has been transacted by any Class Member or
25 PAGA Member, the Administrator shall provide such declaration with as
26 much truthful information as it can provided within five business days of such
27 request.

28 **9. DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion

identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Administration Expenses included as of the date Defendant makes this election to withdraw. Defendant must notify Class Counsel and the Court of its election to withdraw not later than ten (10) days after the Administrator sends the final Exclusion List to Defense Counsel. Invalid Requests for Exclusion will have no effect on this threshold for an election.

10. MOTION FOR FINAL APPROVAL. Unless otherwise ordered by the Court, not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), the Administrator's Declaration, 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 ten (10) calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer via email or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Settlement Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment,

Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

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

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Settlement 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. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material

modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint or PAGA Notice 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 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 on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, 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, Administrator, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to fulfill Class Counsel's professional duties and ethical

obligations to Class Members; (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 Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, 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, with the exception of the Administrator. The Parties and the Parties’ counsel agree to limit public comment on this Agreement and PAGA/Class Settlement, the Lawsuit, the LWDA Letter and Plaintiff’s claims to stating that the matter has been resolved to the satisfaction of all parties. Neither the parties nor their counsel will initiate public comment, including but not limited to press inquiries or website, blog or social media postings. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

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

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement, together with its attached exhibits, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by 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 thereto.

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.7 No Prior Assignments. The Plaintiffs separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.8 No Tax Advice. Plaintiffs, Class Counsel, Defendant or Defense Counsel shall not provide any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered

during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.14 Use 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.

12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.16 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:

DAVENPORT LAW PC
Ashley A. Davenport, State Bar No. 244573
2298 E. Maple Avenue
El Segundo, CA 90245
Telephone: (310) 504-3989

BARRERA & ASSOCIATES
Patricio T.D. Barrera, State Bar No. 149696
2298 E. Maple Avenue
El Segundo, CA 90245
Telephone: (310) 802-1500

CAPSTONE LAW
Raul Perez
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
Telephone: (310) 556-4811

To Defendant:

CDF LABOR LAW LLP
Dan M. Forman, State Bar No. 155811
dforman@cdflaborlaw.com
Linda Wang, State Bar No. 317984
lwang@cdflaborlaw.com
707 Wilshire Boulevard, Suite 5150
Los Angeles, CA 90017
Telephone: (213) 612-6300

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

12.18 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.

12.19 Fair Settlement. The Parties, Class Counsel, and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

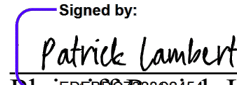
List of Exhibits: The following exhibit is attached to this Settlement Agreement:

Exhibit A – Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval

SIGNATURES - READ CAREFULLY BEFORE SIGNING

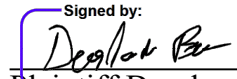
PLAINTIFF: Patrick Lambert

Dated: 10/30/2025

Signed by:

Patrick Lambert

PLAINTIFF: Deorlandro Brown

Dated: 10/30/2025

Signed by:

Deorlandro Brown

DEFENDANT: PHILLIPS FEED SERVICE, INC., a
Pennsylvania corporation, dba PHILLIPS PET FOOD
& SUPPLIES

Dated: _____

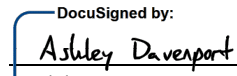
Please Print Name of Authorized Signatory

APPROVED AS TO FORM:

PLAINTIFF'S COUNSEL:

DAVENPORT LAW PC

Dated: 10/30/2025

DocuSigned by:

Ashley A Davenport

CAPSTONE LAW APC

Dated: October 31, 2025


Raul Perez

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SIGNATURES - READ CAREFULLY BEFORE SIGNING

PLAINTIFF: Patrick Lambert

Dated: _____

Plaintiff Patrick Lambert

PLAINTIFF: Deorlandro Brown

Dated: _____

Plaintiff Deorlandro Brown

DEFENDANT: PHILLIPS FEED SERVICE, INC., a
Pennsylvania corporation, dba PHILLIPS PET FOOD
& SUPPLIES

Dated: 11/5/2025 _____

Signed by:

8229749AF79C452...

Miki Coleman
Please Print Name of Authorized Signatory

APPROVED AS TO FORM:

PLAINTIFF'S COUNSEL:

DAVENPORT LAW PC

Dated: _____

Ashley A. Davenport

CAPSTONE LAW APC

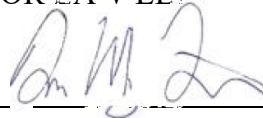
Dated: _____

Raul Perez

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DEFENDANT'S COUNSEL:

CDF LABOR LAW LLP



Dated: 11/12/2025

Dan M. Forman

Exhibit A

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

Patrick Lambert v. Phillips Feed Service, Inc., et al., Case No. 34-2022-00314487

*The Superior Court for the State of California authorized this Notice. Read it carefully!
This is not an advertisement or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from a class action lawsuit (the “Action”) against Phillips Feed Service, Inc. dba Phillips Pet Food and Supplies (referred to herein as “Phillips”). The Action was filed by Patrick Lambert, an employee of Phillips Feed Services, Inc, with former employee Deorlandro Brown being named as a Plaintiff in an amended complaint. The action seeks payment of (1) wages and penalties for a class of nonexempt, hourly-paid employees (“Class Members”) who worked for Phillips at any time between January 25, 2018, and _____, 2025 (“Class Period”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all nonexempt, hourly-paid employees (“Aggrieved Employees”) who worked for Phillips at any time between March 16, 2021, and _____, 2025 (“PAGA Period”). For Class Members and Aggrieved Employees who worked or are working as commercial truck drivers, those day(s) or week(s) working as commercial truck drivers are excluded from the calculations. If Class Members and Aggrieved Employees only worked as commercial truck drivers during the Class Period and PAGA Period, then those individuals are excluded entirely.

Based on Phillips’ records, **your Individual Class Payment is estimated to be [\$ amount] (less withholdings) [and your Individual PAGA Payment is estimated to be [\$ amount].** The actual amount you may receive may be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Phillips’ records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work for Phillips during the PAGA Period.)

The above estimates are based on Phillips’ records showing that **you worked [number] workweeks** during the Class Period and **you worked [number] pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a written challenge with any supporting evidence 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 do 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 Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Phillips to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Phillips.

If you worked for Phillips 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 Settlement Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Phillips.

- ~~_____~~ (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the 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,

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

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Settlement 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 wage claims against Phillips 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 _____, 2025	If you don't want to fully participate in the proposed Settlement, you can opt-out of the 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. Phillips must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue PAGA penalties for the relevant PAGA Period (defined below).
Settlement Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____, 2025	All Class Members who do not opt-out ("Settlement 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 Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____, 2025 Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____, 2025, at _____ a.m./p.m. in Department 22 of the Sacramento County Superior Court located at 312 N. Spring Street, Los Angeles, California. You are not required to attend but you 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. Settlement Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.

You Can Challenge Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____, 2025 _____	The amount of your Individual Class Payment and PAGA Payment (if any) depends on: (1) the number of workweeks in which you worked at least one day during the Class Period; and (2) the number of Pay Periods in which you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Phillips’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____, 2025. See Section 4 of this Notice.
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1. WHAT IS THE ACTION ABOUT?

Plaintiffs Lambert and Brown were employees of Phillips Feed Service, Inc. The Action alleges that Phillips Feed Service, Inc. did not comply with California labor laws by failing to provide meal periods, failing to provide rest breaks, failing to pay wages for all hours worked, failing to reimburse business-related expenses, non-compliant wage statements, and failing to timely pay all wages due at separation of employment. Based on the same claims, Plaintiffs have also asserted a claim for unfair business practices and for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Lambert’s successor in interest is now Plaintiff along with Plaintiff Brown. Plaintiffs are represented by attorneys in the Action: Ashley Davenport of Davenport Law, PC, Patricio T.D. Barrera of Barrera & Associates, and Raul Perez of Capstone Law APC (“Class Counsel”).

Phillips denies Plaintiffs’ claims and denies any wrongdoing.

The Court has not and will not make a determination as to whether or not Plaintiffs’ claims have merit as the Parties have agreed to settle the claims.

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

So far, the Court has made no determination whether Phillips or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Phillips hired an experienced, neutral mediator in an effort to resolve the Action by negotiating and to resolve the case by agreement 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, Plaintiffs and Phillips 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, Phillips does not admit any violations or concede the merit of any claims.

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. Phillips Will Pay \$800,000 as the Gross Settlement Amount (Gross Settlement). Phillips has agreed to deposit the Gross Settlement into an account controlled by the Administrator. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and PAGA penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”).

Phillips shall also pay Phillips' share of payroll taxes by transmitting the funds to the Administrator. The Judgment will be final on the date the Court enters Judgment, or a later date if Settlement Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount:
 - A. Up to \$266,640 (33.33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$10,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without any payment.
 - B. Up to \$5,000 each to Plaintiffs Lambert and Brown as Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. The Class Representative Service Payments will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$7,250 to the Administrator for services administering the Settlement.
 - D. Up to \$50,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

Settlement 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 Settlement Payments to Settlement Class Members on a pro rata basis based on the number of workweeks worked by each Settlement Class Member.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Phillips are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to penalties and interest ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Phillips will separately pay employer payroll taxes owed 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 Plaintiffs and Phillips 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. If the monies represented by your check are 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 Settlement Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, 2025, 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 Response Deadline. The Request for Exclusion should be a letter from you or your representative setting forth your name, present address, and email address or telephone number, and a simple statement electing to be excluded from the Settlement that is timely postmarked by the Response Deadline. 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 Phillips.

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 Phillips based on the PAGA Period and 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. Plaintiffs and Phillips have agreed that, in either case, the Settlement will be void: Phillips will not pay any money to the Class and Class Members will not release any claims against Phillips, and all parties will be restored to their positions prior to reaching this settlement.
8. Administrator. The Court has appointed a neutral company, Xpand Legal Consulting (the “Administrator”), to send this Notice, receive payment of the Gross Settlement Amount from Phillips, 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. Settlement Class Members’ Release. After the Judgment is final and Phillips has fully funded the Gross Settlement (and separately paid the employer-side payroll taxes), Settlement Class Members will be legally barred from asserting any of the claims released under the Settlement.

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

All Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint or PAGA Notice, including any and all claims involving any alleged failure to compensate for all hours worked; alleged failure to pay penalties for missed meal and rest breaks; alleged failure to pay minimum wages; alleged failure to pay overtime wages; alleged failure to furnish accurate, itemized wage statements; alleged failure to pay compensation upon termination of employment; alleged failure to reimburse business expenses; alleged violation of California’s unfair business practices and unfair competition laws; alleged violation of inspection of personnel and payroll records; alleged violation of the California Industrial Welfare Commission’s (“IWC”) Wage Orders; alleged violation of the California Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 222.5, 225.5, 223, 226, 226.3, 226.7,

227.3, 226.8, 432, 500, 510, 512, 516, 558, 558.1, 1171, 1173, 1174, 1182.12, 1194, 1194.2, 1198, 1198.5, 1197, 1197.1 and/or 1198.5; (ii) and any damages, premiums, penalties, liquidated damages, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting based on the Operative Complaint or PAGA Notice and which occurred during the Class Period. Except as set forth in Section 6.3 of this Agreement, Settlement 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 Judgment is final, Aggrieved Employees will be barred from asserting PAGA claims against Phillips, whether or not they exclude themselves from the Settlement:

All PAGA Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from (i) all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including but not limited to any alleged failure to compensate for all hours worked; alleged failure to pay penalties for missed meal and rest breaks; alleged failure to pay minimum wages; alleged failure to pay overtime and double time wages; alleged failure to reimburse business expenses; alleged failure to furnish accurate, itemized wage statements; alleged failure to pay compensation upon termination of employment; alleged violation of California's unfair business practices and unfair competition laws; alleged failure to maintain accurate and complete employee, payroll, and time records; alleged violation of the California Industrial Welfare Commission's ("IWC") Wage Orders; alleged violation of the California Labor Code sections 200, 201, 202, 203, 204, 204b, 204(d), 210, 218.5, 222.5, 225.5, 221-223, 226, 226(a), 226(e), 226.3, 226.6, 226.7, 227.3, 245-248.5, 256, 432.5, 432.7, 500, 510, 512, 512(a), 516, 558, 558.1, 1024.5, 1171, 1173, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2442, 2698, 2699, 2802, and 2810.5; (ii) and any damages, civil penalties, interest, punitive damages, costs, attorneys' fees, based on the Operative Complaint and PAGA Notice, and which occurred during the PAGA Period.

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 Settlement Class Members during the Class Period, and (b) multiplying the result by the number of Workweeks worked by each individual Settlement Class Member during the Class Period.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the PAGA Aggrieved Employee allocation by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee during the PAGA Period.

Workweek/Pay Period Challenges. The number of Workweeks you worked during the Class

Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Phillips' records, are stated in the first page of this Notice. You have until _____, 2025, to challenge the number of Workweeks and/or 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 Phillips' calculation of Workweeks and/or Pay Periods based on Phillips' 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 Pay Period challenges based on your submission. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Settlement Class Members. The Administrator will send, by U.S. mail, the payment(s) set forth above to every Settlement Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees.
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 payment 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 or email address, 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 "*Patrick Lambert v. Phillips Feed Service, Inc., et al.*, Case No. 34-2022-00314487," 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 request to be excluded must be sent to the Administrator and must be postmarked by _____, 2025, or it will be invalid.** Section 9 of this Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Settlement Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Phillips are asking the Court to approve. At least 16 court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiffs 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 Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representative Service Payments. 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 Court's website (<https://www.lacourt.org/casesummary>).

A Settlement Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **Written objections must be postmarked.** 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, “*Patrick Lambert v. Phillips Feed Service, Inc., et al.*,” Case No. 34-2022-00314487” and include your name, current address, telephone number, and approximate dates of employment for Phillips and sign the objection. Section 9 of this Notice has the Administrator’s contact information.

Alternatively, a Settlement 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 _____, 2025, at _____ a.m./p.m. in Department 22 of the Sacramento County Superior Court, located at 720 9th Street, Sacramento, CA 95814. 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 Plaintiffs, Class Counsel, 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 Zoom via the following:

To join by Zoom link: <https://saccourt-ca-gov.zoomgov.com/my/sscdept22>

To join by phone: (833) 568-8864 / ID: 16108301121

It is possible the Court will reschedule the Final Approval Hearing. You should check the Court’s website (<https://www.lacourt.org>) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Phillips and Plaintiffs 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 (_____). 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 (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>) and entering the Case Number for the Action, Case No. 34-2022-00314487. You can also make an appointment to personally review court documents in the Clerk’s Office at the Gordon D. Schaber Sacramento County Courthouse by calling (916) 874-5522.

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

Class Counsel:

Attn: Ashley Davenport
Davenport Law PC
2298 E. Maple
El Segundo, CA 90245
Email: ashley@lawdavenport.com

Attn: Patricio Barrera
Barrera & Associates
2298 E. Maple
El Segundo, CA 90245
Email: barrera@baattorneys.com

Attn: Raul Perez
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
888.479.6976 / info@Phillips-Lawsuit.com

Settlement Administrator:

Xpand Legal Consulting



Telephone: (888) XXX-XXXX

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 for instructions on how to retrieve the funds.

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.