

1 **STIPULATION OF CLASS, COLLECTIVE, AND REPRESENTATIVE ACTION**

2 **SETTLEMENT**

3 This Joint Stipulation of Class, Representative (“PAGA”), and Collective Action Settlement
4 (“Agreement” or “Settlement”) is made and entered into by and between Matthew Veliz, Jamil M. Bazzy,
5 Ronnie Veliz Sr., and Esteben Veliz (“Plaintiffs” or “Class Representatives”), on behalf of all other
6 similarly situated Class Members, PAGA Group Members, and Collective Members, and Defendant
7 DrinkPAK, LLC (“Defendant”) (collectively with Plaintiffs, the “Parties”).

8 This Settlement shall be binding on Plaintiffs and Settlement Class Members, PAGA Group
9 Members, and Settlement Collective Members, and on Defendant, subject to the terms and conditions
10 hereof and the approval of the Court.

11 **RECITALS**

12 1. Allegations in the Complaints. On November 29, 2022, Plaintiff Matthew Veliz filed a
13 putative Class Action Complaint, individually and on behalf of all others similarly situated, in the Superior
14 Court for the State of California, for the County of Los Angeles, alleging claims for: 1) Failure to Pay
15 Minimum, and Straight Time Wages; 2) Failure to Pay Overtime Wages; 3) Failure to Provide Meal
16 Periods; 4) Failure to Authorize and Permit Rest Periods; 5) Failure to Timely Pay Final Wages at
17 Termination; 6) Failure to Provide Accurate Itemized Wage Statements; 7) Failure to Indemnify
18 Employees for Expenditures; and 8) Violation of the Unfair Competition Law. On March 13, 2023,
19 Matthew Veliz filed a First Amended Complaint (“FAC”) to also bring his suit in a representative capacity
20 under the Private Attorneys General Act (“PAGA”), individually and on behalf of himself and all other
21 aggrieved employees, for alleged violations of wage and hour statutes. Matthew Veliz also included a
22 ninth claim in the FAC, for Civil Penalties under PAGA.

23 On January 13, 2023, Plaintiff Jamil M. Bazzy filed a Class and Representative Action Complaint,
24 individually, on behalf of himself, the State of California as a private attorney general, and all others
25 similarly situated, in the Superior Court for the State of California, for the County of Los Angeles. Bazzy
26 alleged claims for: 1) Failure to Pay All Minimum Wages; 2) Failure to Pay all Overtime Wages; 3) Failure
27 To Provide Rest Period and Pay Missed Rest Period Premiums; 4) Failure To Provide Meal Periods and
28 Pay Missed Meal Period Premiums; 5) Failure to Maintain Accurate Employment Records; 6) Failure to

1 Timely Pay Wages During Employment; 7) Failure to Pay All Wages Earned And Unpaid at Separation;
2 8) Failure to Reimburse Business Expenses; 9) Failure to Furnish Accurate Itemized Wage Statements;
3 10) Unfair Competition Law; and 11) PAGA Penalties.

4 2. Defendant denies all material allegations set forth in the Action, defined below, and has
5 asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,
6 Defendant desires to fully and finally settle the Action and the Released Claims.

7 3. Class Counsel in the Action diligently investigated the claims of the proposed Class
8 Members, PAGA Group Members, and Collective Members against Defendant, including any and all
9 applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of
10 information, data, and documents, and review of numerous corporate policies and practices.

11 4. On April 24, 2023, the Parties participated in mediation with the Michael Leb (the
12 “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the
13 Mediator, reached the settlement that is memorialized herein. At all times, the settlement discussions
14 were conducted at arm’s-length. Based on the documents produced, as well as Class Counsel’s own
15 independent investigation and evaluation, Class Counsel believe that the settlement with Defendant for
16 the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate, and is
17 in the best interest of the Class, Collective, and PAGA Group Members in light of all known facts and
18 circumstances, including the risk of significant delay and uncertainty associated with litigation and
19 various defenses asserted by Defendant.

20 5. The Parties expressly acknowledge that this Agreement is entered into solely for the
21 purpose of compromising significantly disputed claims and that nothing herein is an admission of
22 liability or wrongdoing by Defendant. If for any reason the Agreement is not approved, it will be of no
23 force or effect, and the Parties shall be returned to their original respective positions.

24 **DEFINITIONS**

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

27 a. “Action” refers, to the lawsuit entitled, *Matthew Veliz, individually, on behalf of*
28 *all others similarly situated, and on behalf of the State of California and other aggrieved persons v.*

1 *DrinkPAK LLC, a Delaware limited liability company; and DOES 1 through 10, inclusive*, Case No.
2 22STCV37384, pending in the Superior Court for the State of California, County of Los Angeles.
3 Plaintiff Jamil M. Bazy has agreed to dismiss without prejudice his individual, class, and representative
4 action entitled, *Jamil M. Bazy, an individual, on behalf of himself, the State of California, as a private*
5 *attorney general, and on behalf of all others similarly situated v. DrinkPAK LLC; and DOES 1 to 50*,
6 Case No. 23STCV00766, for the purpose of having the Settlement filed in one combined action.
7 Defendant will stipulate for settlement purposes only to the dismissal of Bazy’s case and the filing of
8 an amended complaint in the Action adding Jamil M. Bazy, Ronnie Veliz Sr., and Esteben Veliz as
9 named plaintiffs, and including claims under the Fair Labor Standards Act (“FLSA”).

10 b. “Agreement” or “Settlement” means the settlement and resolution of the Released
11 Claims.

12 c. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for
13 Class Counsel’s litigation and resolution of the Actions, and all actual costs incurred and to be incurred
14 by Class Counsel in the Actions, as set forth in Paragraph 10 below.

15 d. “Class Counsel” or “Plaintiffs’ Counsel” mean Wilshire Law Firm, PLC, Bokhour
16 Law Group, P.C., and Eshaghian Law, PC.

17 e. “Class List” means a complete, confidential list containing names, employee ID
18 numbers, last known address, number of workweeks worked during the Class Period, FLSA Period, and
19 PAGA Period, and Social Security Numbers, to facilitate the administration of the settlement, and
20 provided confidentially to the Settlement Administrator.

21 f. “Class Member(s)” means all non-exempt employees who have been employed by
22 Defendant in California at any time during the Class Period.

23 g. “Class Period” means the time period from November 29, 2018, through January
24 6, 2024, unless otherwise modified by Section 38 of this Agreement.

25 h. “Class Representatives” or “Plaintiffs” means Matthew Veliz, Ronnie Veliz Sr.,
26 Esteben Veliz, and Jamil M. Bazy.

27 i. “Class Settlement Fund” means the Gross Fund Value, less the PAGA Fund,
28 FLSA Settlement Fund, court-approved attorneys’ fees and costs, settlement administration costs, and

any Enhancement Payment, as may be approved by the Court.

j. “Court” means the Superior Court of the State of California for the County of Los Angeles.

k. “Collective Members” or “Collective” means all non-exempt employees who have been employed by Defendant anywhere in California during the FLSA Period.

l. “Defendant” means DrinkPAK, LLC.

m. “Defendant’s Counsel” means Coby Turner, Gina Gi, and Juan Rehl-Garcia of Seyfarth Shaw LLP.

n. “Effective Date” means the date the Court enters a Final Approval Order and Judgment and the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for review with the California Supreme Court or other court in California assuming jurisdiction of this matter, or, (ii) if a petition for review filed, the date of denial of the petition, or the date the Court’s Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Court’s Judgment. If a timely and proper objection to the Settlement is filed (including an objection from the California Labor & Workforce Development Agency (“LWDA”)), “Effective Date” shall be the later of: (a) the date on which the time for all appeals relating to objections to the Settlement and the Final Approval Order and Judgment has expired; or (b) if an appeal, review or writ is sought, the date on which the highest reviewing court renders its decision denying any petition (where the immediately lower court affirmed the judgment) or affirming the judgment. Provided, however, if the LWDA has commenced an investigation or issued a Citation prior to the Effective Date, as determined under the foregoing definition, the Effective Date will be extended to the date that the LWDA concludes its investigation or resolves the Citation (whichever is later), or if the LWDA objects to the Settlement, the date when the LWDA’s objection to the Settlement is resolved and no longer appealable.

o. “Enhancement Payment” means the amount to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Actions on behalf of Class Members, PAGA Group Members, and Collective Members, and in exchange for a general release, as set forth in Paragraph 11 below.

p. “Final Approval” means the determination by the Court that the settlement is fair,

reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

q. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the settlement should be granted Final Approval.

r. “FLSA Period” means the time period from November 29, 2019, through January 6, 2024, unless otherwise modified by Section 38 of this Agreement.

s. “FLSA Settlement Fund” means the amount of the Settlement allocated for payment to Settlement Class Members for settlement and release of claims under the FLSA. The FLSA Settlement Fund shall not exceed Twenty Thousand Dollars (\$20,000). The FLSA Settlement Fund shall be paid out of the Gross Fund Value. Any checks issued out of the FLSA Settlement Fund that are cancelled due to a failure to deposit or cash the check within one hundred and eighty (180) days shall be returned to DrinkPAK, as no FLSA release will be effectuated as to those individuals.

t. “Gross Fund Value” means the amount of seven hundred thousand dollars and zero cents (\$700,000.00) that Defendant will pay under the Settlement Agreement. The Gross Fund Value shall include all payments to Class Members, PAGA Group Members, Settlement Collective Members, Settlement Administrator Costs, attorneys’ fees and costs, the Enhancement Payment for Plaintiffs. The Class Settlement Fund, the PAGA Fund, the FLSA Settlement Fund shall all come out of the Gross Fund Value. In no event shall Defendant have to contribute monies in excess of the Gross Fund Value, except for the employer share of any payroll taxes.

u. “Individual PAGA Payment” means the amount payable to each PAGA Group Member from the 25% portion of the PAGA Fund that is allocated to PAGA Group Members as provided in Paragraph 14(b).

v. “Individual Settlement Payment” means the net payment of each Settlement Class Member or Settlement Collective Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided in Paragraph 27 below.

w. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Fund that a Class Member or Settlement Collective Member may be eligible to receive under the Agreement, to be calculated in accordance with Paragraph 14(a), (c).

1 x. “LWDA Payment” means the amount that the Parties have agreed to pay to the
2 California Labor and Workforce Development Agency (“LWDA”) as set forth in Paragraph 13.

3 y. “Net Settlement Fund” means the portion of the Gross Fund Value that is available
4 for distribution to Settlement Class Members or Settlement Collective Members, which is the Gross
5 Fund Value less the PAGA Fund, court-approved attorneys’ fees and costs, settlement administration
6 costs, and the court-approved Enhancement Payment.

7 z. “Notice of Objection” means a Settlement Class Member’s valid and timely
8 written objection to the Settlement, which must be in writing and include: (a) the case name and number
9 of the Action; (b) the objector’s full name, signature, address, and telephone number, and the last four
10 digits of their Social Security number, (c) a written statement of all grounds for the objection
11 accompanied by any legal support for such objection, (d) copies of any papers, briefs, or other
12 documents upon which the objection is based; and (e) be returned by mail to the Settlement
13 Administrator at the specified address, postmarked on or before the Response Deadline. The date of the
14 postmark on the return mailing envelope on the submission will be the exclusive means to determine
15 whether a Request for Exclusion has been timely submitted. For the avoidance of doubt, only Settlement
16 Class Members have standing to file a Notice of Objection as to the Settlement.

17 aa. “Operative Complaint” means the First Amended Complaint in this Action filed
18 in the Superior Court of California for the County of Los Angeles. Plaintiff Matthew Veliz will file an
19 amended complaint in his class and PAGA action (Case No. 22STCV37384) alleging FLSA claims and
20 adding in the additional named Plaintiffs on or before the date of filing his motion for Preliminary
21 Approval, at which time the Second Amended Complaint shall become the Operative Complaint.

22 bb. “PAGA Fund, LWDA Payment, and/or PAGA Settlement Fund” means the
23 amount of the Settlement allocated for payment to PAGA Group Members for settlement and release of
24 claims under the PAGA. The PAGA Fund shall not exceed Twenty-Thousand Dollars (\$20,000), unless
25 otherwise ordered by the Court. Class Counsel shall request that the Court approve a payment to the
26 LWDA not to exceed Seventy-Five percent (75%) of the PAGA Fund (“LWDA Payment”) and that the
27 remaining Twenty-Five percent (25%) of the PAGA Fund be distributed to the PAGA Group Members
28 (“PAGA Settlement Fund”). The PAGA Fund, LWDA Payment, and PAGA Settlement Fund shall be

1 paid out of the Gross Fund Value.

2 cc. "PAGA Group Members" or "PAGA Group" means all non-exempt California
3 employees of Defendant at any time during the PAGA Period.

4 dd. "PAGA Period" means the time period from January 6, 2022, through January 6,
5 2024, unless otherwise modified by Section 38 of this Agreement.

6 ee. "PAGA Settlement" means the settlement and resolution of the Released PAGA
7 Claims.

8 ff. "Parties" means Plaintiffs and Defendant, collectively, and "Party" means any of
9 the Plaintiffs or Defendant.

10 gg. "Preliminary Approval" means entry of the Court's order granting preliminary
11 approval of the Agreement.

12 hh. "Preliminary Approval Notice" means the Notice of Preliminary Approval of Class
13 Action Settlement, with a Spanish translation, substantially in the form attached as "**Exhibit A**" and
14 incorporated by reference into this Agreement.

15 ii. "Qualifying Workweeks" means any workweeks worked during the Class Period,
16 PAGA Period, and/or FLSA Period by Settlement Class Members, PAGA Group Members, or
17 Settlement Collective Members. Partial Qualifying Workweeks will be counted as full Qualifying
18 Workweeks.

19 jj. "Released Claims" means the Released Class Claims, the Released PAGA
20 Claims, and the Released FLSA Claims.

21 kk. "Released Class Claims" means any and all wage and hour claims that were pleaded
22 or could have been pleaded, based on, or which arise out of the facts alleged in the Operative Complaint
23 in the Action, arising during the Class Period. This includes known and unknown claims arising under
24 California Labor Code sections 201-203, 204, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 1182.12, 1194,
25 1194.2, 1197, 1197.1, 1198, 2802, the applicable IWC Wage Order(s), the California Unfair Competition
26 Law, California Business and Professions Code section 17200 *et seq.*, as well as all claims arising under
27 the listed Labor Code statutes based on the primary rights of those statutes, irrespective of the theory of
28 recovery alleged.

1 II. “Released PAGA Claims” means all claims under the California Private Attorneys
2 General Act of 2004 (“PAGA”) alleged in the Operative Complaint or claims that could have been alleged
3 based on the facts pertaining to Plaintiffs and the PAGA Group Members, arising during the PAGA Period.
4 This includes, but is not limited to PAGA claims for (1) failure to pay for all hours worked, including
5 minimum, straight-time and overtime wages, resulting from work performed off-the-clock by, for
6 example, requiring Plaintiffs and Aggrieved Employees to perform work during uncompensated meal
7 periods and rest periods, and/or requiring Plaintiffs and Aggrieved Employees to perform work after
8 clocking out for the day; (2) failure to provide legally compliant meal periods or pay legally mandated
9 premiums in lieu thereof, resulting from work performed during, or in lieu of, meal periods, including by
10 not permitting employees to leave the premises for meal periods; by requiring, pressuring, or encouraging
11 them to perform work tasks that could not be completed without working in lieu of taking mandatory meal
12 periods; and by failing to inform Plaintiffs of their right to, or not permitting them to take, a second meal
13 period when Plaintiffs worked at least 10 hours of work in a workday; (3) failure to provide legally
14 compliant rest periods or pay legally mandated premiums in lieu thereof, resulting from work performed
15 during, or in lieu of, rest periods, requiring, pressuring, or encouraging them to perform work tasks that
16 could not be completed without working in lieu of taking mandatory rest periods (including failure to
17 authorize and permit a third rest break when Plaintiffs worked at least 10 hours of work in a workday);
18 (4) failure to pay all earned wages at least twice per month, resulting from failure to compensate employees
19 for off-the-clock work, as well as noncompliant meal and rest periods; (5) failure to pay overtime and
20 meal and rest period premiums at the appropriate regular rate of pay; (6) failure to maintain accurate
21 records of hours worked, such as documenting off-the-clock work and meal periods taken; (7) failure to
22 pay all wages owed at time of termination of employment such as compensation for off-the-clock work,
23 as well as premiums for noncompliant meal and rest periods; (8) failure to furnish accurate itemized wage
24 statements by failing to set forth all hours worked and corresponding rates of pay; and (9) failure to
25 indemnify necessary business expenses such as tools, vehicle mileage and cell phone expenses (*See*
26 California Labor Code sections 201-203, 204, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 1182.12, 1194,
27 1194.2, 1197, 1197, 1198, 2899, 2802, and the applicable IWC Wage Order(s)), as well as all claims
28 arising under the listed Labor Code statutes based on the primary rights of those statutes, irrespective of

1 the theory of recovery alleged. It is understood that PAGA Group Members will not have the opportunity
2 to opt out of, or object to, the Released PAGA Claims. Further, the PAGA Group Members are bound
3 by the Released PAGA Claims regardless of whether they cash and/or otherwise negotiate their
4 Individual PAGA Payment.

5 mm. “Released FLSA Claims” means all wage and hour claims under the Fair Labor
6 Standards Act, 29 U.S.C. section 201, *et seq.* of whatever kind or nature, whether known or unknown,
7 contingent or accrued, under any legal theory that was or reasonably could have been brought based on
8 the facts alleged in any version of the complaints filed in the Action pertaining to Plaintiffs and the
9 Collective Members.

10 nn. “Released Parties” means Defendant and all of its present and former parent
11 companies, subsidiaries, affiliates and joint ventures, and all of their officers, directors, employees, agents,
12 servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons
13 acting by through, under or in concert with any of them.

14 oo. “Request for Exclusion” means a timely letter submitted by a Class Member
15 indicating a request to be excluded from the Settlement. The Request for Exclusion should: (a) contain
16 the case name and number of the Action, (b) be signed by the Class Member, (c) contain the full name,
17 address, telephone number, and the last four digits of the Social Security Number of the Class Member
18 requesting exclusion, (d) clearly state that the Class Member does not wish to be included in the
19 Settlement, and (e) be returned by mail to the Settlement Administrator at the specified address,
20 postmarked on or before the Response Deadline. Notwithstanding the above, the Settlement
21 Administrator should not reject a Request for Exclusion as invalid because it fails to contain all the
22 information specified above, so long as the Administrator can reasonably ascertain the identity of the
23 person as a Class Member and the Class Member’s desire to be excluded is clear. The date of the
24 postmark on the return mailing envelope on the submission will be the exclusive means to determine
25 whether a Request for Exclusion has been timely submitted. A Class Member who does not request
26 exclusion from the Settlement will be deemed a Settlement Class Member and will be bound by all terms
27 of the Agreement if the Settlement is granted Final Approval by the Court.

28 pp. “Response Deadline” means the deadline by which Class Members must submit a

1 Request for Exclusion, Notice of Objection, and/or dispute of the Qualifying Workweeks credited to
2 them, which shall be the date that is sixty (60) calendar days from the initial mailing of the Preliminary
3 Approval Notice by the Settlement Administrator, unless the 60th day falls on a Sunday or Federal
4 holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal
5 Service is open. The Response Deadline may also be extended by express agreement between Class
6 Counsel and Defendant's Counsel. Under no circumstances, however, will the Settlement Administrator
7 have the authority to extend the Response Deadline. In the event that a Preliminary Approval Notice is
8 re-mailed to a Class Member, the Response Deadline for that Class Member shall be the extended by
9 fifteen (15) calendar days.

10 qq. "Settlement Administrator" means a Settlement Administrator mutually selected
11 by the Parties that will administer this settlement, and will issue to Settlement Class Members forms W-
12 2 (for wage payments) and forms 1099 (for penalties and interest) for all amounts paid under this
13 settlement, making all deductions and withholdings required under law.

14 rr. "Settlement Administration Costs" means the costs payable from the Gross Fund
15 Value, subject to Court approval, to the Settlement Administrator for administering this settlement, as
16 set forth in Paragraph 12 below.

17 ss. "Settlement Class Members" means all Class Members who do not timely and
18 properly opt out of the settlement with respect to the California state law claims.

19 tt. "Settlement Collective Members" means all Collective Members who opt into the
20 collective action with respect to claims under FLSA.

21 **CLASS CERTIFICATION**

22 7. The Parties stipulate and agree to certification of the Class and Collective, for purposes of
23 this Settlement only. This Agreement is subject to approval by the Court and is made for the sole purpose
24 of consummating settlement of the Action. Should the Settlement not become final and effective as
25 provided herein, class and collective certification shall immediately be set aside and the Class and
26 Collective immediately decertified, subject to further proceedings on the motion of any party to certify or
27 deny certification thereafter. The Parties' willingness to stipulate to class and collective certification as
28 part of the Settlement shall have no bearing on, and shall not be admissible in or considered in connection

with, the issue of whether a class should be certified in a non-settlement context in this Action and shall have no bearing on, and shall not be admissible or considered in connection with, the issue of whether a class or collective should be certified in any other lawsuit

TERMS OF AGREEMENT

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

8. Funding of the Gross Fund Value. Defendant shall fully fund the Gross Fund Value, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes, by transmitting the funds to the Settlement Administrator no later than Fourteen (14) days after the Effective Date. The Settlement Administrator shall distribute settlement checks within Fourteen (14) days after Defendant funds the Gross Fund Value, or as otherwise directed by the Court.

9. Administration of the Settlement. ILYM Group, Inc. shall serve as the Settlement Administrator (herein referred to as "Settlement Administrator"). The Settlement Administrator will administer this Settlement, and will issue to Settlement Class Members, Settlement Collective Members, and PAGA Group Members forms W-2 (for wage payments) and/or forms 1099 (for penalties and interest) for all amounts paid under this Settlement consistent with the terms specified herein, making all deductions and withholdings required under law. The Settlement Administrator shall furnish its own Employer ID Number and calculate all settlement checks and payroll deductions and withholdings required under law, based on information that will be confidentially furnished by Defendant. The Settlement Administrator also will establish a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal Revenue Code for the purpose of administering the Settlement. To the extent required by law, the Settlement Administrator will report payments made under Settlement Agreement to the appropriate tax authorities. The Settlement Administrator will also issue a Court-approved payment to itself for services performed in connection with the Settlement.

Defendant will give the Settlement Administrator the Class List to facilitate the administration of the Settlement. The Settlement Administrator shall not share the information with any third party or counsel for Plaintiffs. The cost of the administration will be paid out of the Gross Fund Value. Any amount of Settlement Administration Costs not approved by the Court shall be allocated to the Class Settlement

1 Fund.

2 10. Attorneys' Fees and Costs. Class Counsel will request, and Defendant will not oppose,
3 that the Court approve an award of attorneys' fees in an amount not to exceed one-third of the Gross Fund
4 Value (i.e., \$233,310) plus reasonable litigation costs (up to a maximum of \$15,000.00) associated with
5 Class Counsel's litigation and settlement of the Action, both of which will be paid from the Gross Fund
6 Value subject to Court approval. These amounts will cover any and all work performed and any and all
7 costs incurred by Class Counsel in connection with the litigation of the Action, including without
8 limitation all work performed and costs incurred to date, and all work to be performed and all costs to
9 be incurred in connection with obtaining the Court's approval of this Agreement, including any
10 objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and
11 legally responsible for correctly characterizing this compensation for tax purposes and for paying any
12 taxes on the amounts received. Any portion of the Attorneys' Fees and Costs not awarded to Class
13 Counsel shall be a part of the Class Settlement Fund for the benefit of Settlement Class Members.

14 The Court's approval of fees and costs requested by Class Counsel is not a material term of the
15 Settlement. If the Court does not approve or approves only a lesser amount than that requested by Class
16 Counsel for attorneys' fees or costs, the other terms of the Settlement shall still apply. The Court's refusal
17 to approve the attorneys' fees or costs award requested by Class Counsel does not give Plaintiffs or Class
18 Counsel any basis to abrogate the Settlement.

19 11. Enhancement Payment. In recognition of their efforts and work in prosecuting the Action,
20 Defendant agrees not to oppose or impede any application or motion for Enhancement Payment in an
21 amount not to exceed seven thousand five hundred dollars (\$7,500.00) to each of Matthew Veliz, Jamil
22 M. Bazy, Ronnie Veliz Sr., and Esteben Veliz. The Enhancement Payment, which will be paid from the
23 Gross Fund Value, subject to Court approval, will be in addition to Plaintiffs' Individual Settlement
24 Payment and Individual PAGA Payment (if applicable) that are to be paid pursuant to the settlement. The
25 Parties agree that, for purposes of this settlement, 100% of the Enhancement Payment will be allocated to
26 1099 income. The Settlement Administrator will issue an IRS Form 1099 to Plaintiffs for their individual
27 Enhancement Payments, and Plaintiffs shall be solely and legally responsible for correctly characterizing
28 this compensation for tax purposes and for paying any taxes on the amounts received. Plaintiffs agree

1 to indemnify and hold Defendant harmless from any claim or liability for taxes, penalties, or interest
2 arising as a result of an Enhancement Payment. Should the Court approve an Enhancement Payment to
3 any of the Plaintiffs in an amount that is less than that set forth above, the difference between the lesser
4 amounts approved by the Court and the amounts allocated toward the Enhancement Payments will be
5 part of the Net Settlement Fund for the benefit of Settlement Class Members.

6 The Court's approval of an Enhancement Payment to any or all of the Plaintiffs is not a material
7 term of the Settlement. If the Court does not approve or approves only a lesser amount than that requested
8 by Plaintiffs for Enhancement Payments, the other terms of the Settlement shall still apply. The Court's
9 refusal to approve the Enhancement Payments requested by Plaintiffs does not give any basis to abrogate
10 the Settlement.

11 12. Settlement Administration Costs. The Settlement Administrator will be paid for the
12 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
13 which is currently estimated not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00). These
14 costs, which will be paid from the Gross Fund Value, subject to Court approval, will include, *inter alia*,
15 printing, distributing, and tracking Preliminary Approval Notices and other documents for this Settlement,
16 calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms
17 and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and
18 declarations, and other duties and responsibilities set forth herein to process this Settlement, and as
19 requested by the Parties. To the extent actual Settlement Administration Costs are greater than the
20 estimated amount stated herein, such excess amount will be deducted from the Gross Fund Value, subject
21 to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement
22 Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to
23 undertake the requirement settlement administration duties will become part of the Net Settlement Fund.

24 13. Labor and Workforce Development Agency Payment. Subject to approval by the Court,
25 the Parties agree that the amount of twenty thousand dollars (\$20,000.00) from the Gross Fund Value
26 will be allocated toward penalties under the Private Attorneys General Act, California Labor Code
27 Section 2698, *et seq.* ("PAGA Fund"), of which seventy-five percent (75%), or \$15,000, will be paid to
28 the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) or, \$5,000 ("PAGA Settlement

Fund”), will be distributed to PAGA Group Members.

14. Individual Settlement Share and Individual PAGA Payment Calculations. Class Members and PAGA Group Members shall not be required to submit a claim in order to receive a share of the Net Settlement Fund and PAGA Settlement Fund, respectively. Individual Settlement Shares and Individual PAGA Payment will be calculated and apportioned as follows:

a. The pro rata portion of the Class Settlement Fund shall be determined by dividing the total number of Qualifying Workweeks (including the multiplier for separated Class Members discussed below) worked during the Class Period into the Class Settlement Fund to arrive at a value per Qualifying Workweek for each eligible Settlement Class Member. For purposes of the Class Settlement Fund only, Class Members who were separated from employment with Defendant as of the date of preliminary approval will have their Qualifying Workweeks adjusted upward using a multiplier of 1.2 to account for the release of claims under California Labor Code sections 201-203. The value per Qualifying Workweek shall be multiplied by the number of Qualifying Workweeks worked by each Settlement Class Member during the Class Period. Partial Qualifying Workweeks will be counted as full Qualifying Workweeks.

b. The pro rata portion of the FLSA Settlement Fund shall be determined by dividing the total number of Qualifying Workweeks worked during the FLSA Period into the FLSA Settlement Fund to arrive at a value per Qualifying Workweek for each eligible Collective Member. The value per Qualifying Workweek shall be multiplied by the number of Qualifying Workweeks worked by each Collective Member during the FLSA Period. Partial Qualifying Workweeks will be counted as full Qualifying Workweeks.

c. Individual PAGA Payment: The pro rata portion of the PAGA Settlement Fund shall be determined by dividing the total number of Qualifying Workweeks worked during the PAGA Settlement Period into the PAGA Settlement Fund to arrive at a value per Qualifying Workweek for each eligible PAGA Group Member. The value per Qualifying Workweek shall be multiplied by the number of Qualifying Workweeks worked by each PAGA Group Member during the PAGA Settlement Period. Partial Qualifying Workweeks will be counted as full Qualifying Workweeks.

15. Settlement Awards Do Not Trigger Additional Benefits. The payments made pursuant to

1 this settlement shall not have any effect on the eligibility or calculation of any employee benefits provided
2 by Defendant or any benefits plan. The Parties agree these payments do not represent any modification of
3 any employee's previously-credited hours of service or other eligibility criteria under any employee
4 pension benefit plan, employee welfare benefit plan, or other program or policy. These payments also will
5 not be considered wages, compensation, or annual earnings for benefits in any year for purposes of
6 determining eligibility for, or benefit accrual within, any employee pension benefit plan, employee welfare
7 benefit plan or other program or policy.

8 16. Delivery of the Class List. Within fourteen (14) calendar days of Preliminary Approval,
9 Defendant will provide the Class List to the Settlement Administrator.

10 17. Notice by First-Class U.S. Mail.

11 a. Within fourteen (14) calendar days after receiving the Class List from Defendant,
12 the Settlement Administrator will perform a search based on the National Change of Address Database
13 or any other similar services available, such as provided by Experian, for information to update and
14 correct for any known or identifiable address changes, and will mail a Preliminary Approval Notice in
15 English (in the form attached as **Exhibit A** to this Agreement) to all Class Members via First-Class U.S.
16 Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

17 b. With respect to Preliminary Approval Notices that are returned as undeliverable
18 on or before the Response Deadline, the Settlement Administrator will search for an alternate address by
19 way of skip-trace and re-mail the Preliminary Approval Notice within five (5) calendar days.

20 18. Dispute Regarding Workweeks. Class Members will have an opportunity to dispute the
21 number of Workweeks to which they have been credited, as reflected in their respective Preliminary
22 Approval Notices. In order to dispute Qualifying Workweeks, Class Members should submit a written
23 letter to the Settlement Administrator that: (a) contains the case name and number of the Action, (b) is
24 signed by the Class Member, (c) contains the full name, address, telephone number, and the last four
25 digits of the Social Security Number of the disputing Class Member, (d) clearly states that the Class
26 Member disputes the number of Qualifying Workweeks credited to them and what they contend is the
27 correct number to be credited to them, (e) includes information and/or attaches documentation
28 demonstrating that the number of Qualifying Workweeks that they contend should be credited to them

are correct, and (f) is returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. Notwithstanding the above, the Settlement Administrator should not reject a Dispute Regarding Workweeks as invalid because it fails to contain all the information specified above, so long as the Administrator can reasonably ascertain the identity of the person as a Class Member, the Class Member's desire to dispute the number of workweeks attributed to them is clear, and the Class Member provides some evidence to dispute said workweek-attribution. The date of the postmark on the return mailing envelope on the submission will be the exclusive means to determine whether a dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Qualifying Workweeks to be credited to a disputing Class Member, Defendant's records will be presumed correct and determinative of the dispute. However, if a Class Member produces information and/or documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Qualifying Workweeks that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

19. Settlement Checks. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments and Individual PAGA Payment in accordance with this Agreement. All settlement checks mailed out will expire after one hundred eighty (180) days. However, ninety (90) days, and again one hundred thirty-five (135) days, after first distributing settlement checks, the Settlement Administrator shall distribute reminder postcards via U.S. Mail to all Collective Members, all Settlement Class Members who did not timely opt-out of the settlement, and all PAGA Group Members, who have yet to deposit or otherwise negotiate their settlement checks, reminding them of the deadline to do so.

The sum value of all expired checks will be tallied by the Settlement Administrator. All such uncollected funds associated with Settlement Class Members and PAGA Group Members' checks will escheat to the State of California's Controller, to be held in the name of each expired check payee, pursuant to applicable unclaimed property laws. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are

necessitated due to the cancellation of any Individual Settlement Payment and Individual PAGA Payment checks. Settlement Class Members whose checks are cancelled shall, nevertheless, be bound by this Agreement. The Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code section 384.

20. Procedure for Requesting Exclusion from the Settlement. Any Class Member wishing to be excluded from the Settlement must submit a written Request for Exclusion to the Settlement Administrator, by mail, within the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant’s Counsel the Requests for Exclusion that were timely submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Settlement. Individuals who opt-out of the Settlement shall also have their settlement allocation amount from the Net Settlement Fund returned to DrinkPAK, as they shall have no Released Class Claims. Any Class Member who validly requests to be excluded from the Settlement will not be a Settlement Class Member and will not have any right to object, appeal, or comment on the Settlement; however, if the Class Member worked during the PAGA Period, they will remain a PAGA Group Member, will receive an Individual PAGA Payment, and will be bound by the PAGA Settlement and Released PAGA Claims.

21. Settlement Terms Bind All Class Members Who Do Not Request Exclusion. Any Class Member who does not affirmatively request exclusion from the Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Agreement, including and not limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final Approval to the Settlement.

22. PAGA Group Members. PAGA Group Members will not be able to opt out of settlement of the PAGA claims and release of PAGA claims. The notice to PAGA Group Members, sent within 14 days of the Effective Date, will inform them of the amount they will receive for their PAGA claims and that they will not be able to opt out of the settlement and release of the PAGA claims. For PAGA Group

Members who are also Settlement Class Members and who did not opt out of the Settlement, their settlement payments shall be combined on a single check.

23. Opt-In Procedure for Collective Members. Each Collective Member's share from the FLSA Settlement Fund will be issued in a check separate from the payments to Settlement Class Members and PAGA Group Members, as a result, some individuals may ultimately receive more than one settlement check. However, for the avoidance of doubt, where the Settlement Administrator is to issue more than one check to an individual, they will be issued in the same envelope. Opt-in and release language regarding the release of the FLSA claim will be printed on the FLSA settlement checks, with instructions that cashing such check constitutes consent under the FLSA to opt into the collective action. The language to be included will be substantially similar to the following:

"My *endorsing*, cashing, or depositing of this check constitutes my consent to join the lawsuit entitled *Veliz v. DrinkPAK, LLC*, pending in the Superior Court of the State of California for the County of Los Angeles, Case No. 22STCV37384, pursuant to the provisions of the Fair Labor Standards Act ("FLSA"), 29 U.S.C. Section 216(b)."

24. Procedures for Objecting to the Settlement. To object to the Settlement, Class Members who have not opted out of the Settlement (i.e., Settlement Class Members) must submit a timely and complete Notice of Objection to the Settlement Administrator, by mail, on or before the Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and contain all information required by this Agreement. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the Settlement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection at the Final Approval Hearing.

25. Reports by the Settlement Administrator Regarding Settlement Administration. The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted a dispute of Qualifying Workweeks (including providing those disputes); (b) the number of Class Members who have submitted timely and valid Requests for Exclusion or timely and complete Notices of Objection (including providing those Requests for Exclusion and Notices of Objection); and (c) the number of undeliverable and re-mailed

1 Preliminary Approval Notices. Additionally, the Settlement Administrator will provide to counsel for
2 both Parties any updated reports regarding the administration of the Agreement as needed or requested,
3 and immediately notify the Parties when it receives a request from an individual or any other entity
4 regarding inclusion in the Class and/or Settlement.

5 26. Certification of Completion. Upon completion of administration of the Settlement, the
6 Settlement Administrator will provide a written declaration under oath to certify such completion to the
7 Court and counsel for all Parties.

8 27. Treatment of Individual Settlement Payments. Each Individual Settlement Share will be
9 allocated as follows: 25% to wages and 75% to penalties and interest. The portion allocated to wages
10 will be reported on an IRS Form W-2 and the portions allocated to interest and penalties will be reported
11 on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will withhold the
12 employee's share of taxes and withholdings with respect to the wages portion of the Individual
13 Settlement Shares, and issue checks to Settlement Class Members and Collective Members for their
14 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and
15 withholdings). Any payment for an Individual PAGA Payment will be allocated as penalties, will not
16 be subject to taxes or withholdings, and will be reported on an IRS Form-1099, if necessary. The
17 employer's share of taxes and contributions on the wages portion of any distribution from the Net
18 Settlement Fund will be paid separately and in addition to the Gross Fund Value.

19 28. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
20 will be responsible for issuing to Plaintiffs, Settlement Class Members, PAGA Group Members,
21 Settlement Collective Members, and Class Counsel any W-2, 1099, or other tax forms as may be
22 required by law for all amounts paid pursuant to this Agreement. The Settlement Administrator will also
23 be responsible for forwarding all payroll taxes, contributions, and withholdings to the appropriate
24 government authorities.

25 29. Tax Liability. No opinion regarding the tax consequences of this Settlement to any
26 Plaintiffs, Settlement Class Members, PAGA Group Members, or Settlement Collective Members is being
27 given, or will be given, by Defendant, counsel for Defendant, any other Releasee, or Class Counsel. These
28 individuals must consult their own tax advisors regarding the tax consequences of this Settlement,

1 including but not limited to any payments provided or tax reporting obligations. Defendant, the Releasees,
2 counsel for Defendant, and Class Counsel shall have no liability or responsibility whatsoever for any tax
3 consequences resulting from payments made pursuant to the Settlement.

4 30. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF
5 THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT
6 OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND
7 AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
8 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
9 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH
10 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
11 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
12 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
13 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
14 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
15 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
16 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
17 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
18 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY
19 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
20 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
21 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX
22 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
23 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
24 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
25 BY THIS AGREEMENT.

26 31. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
27 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
28 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause

1 of action or right herein released and discharged.

2 32. Release of Claims by Settlement Class Members, PAGA Group Members, and Settlement
3 Collective Members. Upon the date Defendant fully funds the entire Gross Fund Value and funds all
4 employer payroll taxes owed on payments under this Settlement, Plaintiffs and all Class Members who
5 do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members), will be deemed
6 to have fully, finally and forever released, settled, compromised, relinquished, and discharged the
7 Released Parties of all Released Class Claims during the Class Period, except as to the right to enforce
8 the terms and conditions of this settlement. Additionally, upon the date Defendant fully funds the entire
9 Gross Fund Value and funds all employer payroll taxes owed on payments under this Settlement,
10 Plaintiffs and each Settlement Collective Member who timely participates in the settlement by timely
11 cashing, depositing, or otherwise negotiating their Individual Settlement Payment will be deemed to have
12 fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties
13 of all Released FLSA Claims during the FLSA Period, except as to the right to enforce the terms and
14 conditions of this settlement. Finally, upon the date Defendant fully funds the entire Gross Fund Value
15 and funds all employer payroll taxes owed on payments under this Settlement, Plaintiffs and all PAGA
16 Group Members will be deemed to have fully, finally and forever released, settled, compromised,
17 relinquished, and discharged the Released Parties of all Released PAGA Claims during the PAGA
18 Period, except as to the right to enforce the terms and conditions of this settlement.

19 33. General Release of Claims by Plaintiffs. In addition, upon the Effective Date and in
20 exchange for receiving and accepting an Enhancement Payment, Matthew Veliz, Jamil M. Bazzy, Ronnie
21 Veliz Sr., and Esteben Veliz will be deemed to have fully released and discharged the Released Parties of
22 and from all claims arising from their employment with Defendant, separation of employment from
23 Defendant, and any acts that have or could have been asserted in any legal action or proceeding against
24 Defendant, whether known or unknown, arising under any federal, state, or local law, or statute, including,
25 *inter alia*, those arising under the California Labor Code, Fair Labor Standards Act, the Age
26 Discrimination in Employment Act (“ADEA”), the Older Workers Benefits Protection Act (“OWBPA”),
27 Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income
28 Security Act, National Labor Relations Act, California Corporations Code, California Business and

1 Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended),
2 and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination,
3 lost wages, benefits, other employment compensation, emotional distress, medical expenses, other
4 economic and non-economic damages, attorney fees, and costs, arising on or before the date on which the
5 Settlement is executed. With respect to those claims released by Plaintiffs in an individual capacity,
6 Plaintiffs acknowledge and waive any and all rights and benefits available under California Civil Code
7 Section 1542, which provides:

8
9 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
10 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR
11 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.

12 Plaintiffs understand and agree that claims or facts in addition to or different from those which are now
13 known or believed by them to exist may hereafter be discovered. It is Plaintiffs' intention to settle fully
14 and release all claims they now have against the Released Parties, whether known or unknown, suspected
15 or unsuspected. The Enhancement Payment will be paid to Plaintiffs specifically in exchange for the
16 general release of the Released Parties from all claims, including those specified in this paragraph and a
17 covenant not to sue the Released Parties with respect to the claims released herein. Notwithstanding the
18 above, the general release by Plaintiffs shall not extend to claims for workers' compensation benefits,
19 claims for unemployment benefits, or other claims that may not be released by law.

20 34. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

21 Upon execution of this Agreement, Plaintiffs shall promptly obtain a hearing date for Plaintiffs' Motion
22 for Preliminary Approval of the Settlement, which Plaintiffs and Class Counsel will be responsible for
23 drafting and submit this Agreement to the Court in support of said motion. Class Counsel will provide
24 Defendant's Counsel a draft of the Preliminary Approval Motion at least five (5) business days before
25 the filing deadline. Defendant agrees not to oppose the Motion for Preliminary Approval of the
26 Settlement consistent with this Agreement. Said motion shall apply to the Court for the entry of an order
27 ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the
28 following:

- a. Conditionally certifying the Class and Collective for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiffs as representatives of the Class and Collective;
- d. Preliminarily appointing Plaintiffs' Counsel as counsel for the Class and Collective;
- e. Approving, as to form and content, the mutually-agreed upon and proposed Preliminary Approval Notice and directing its mailing to the Class and Collective by first class mail;
- f. Approving the manner and method for Class Members to request exclusion from the Settlement as contained herein and within the Preliminary Approval Notice; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable and adequate as to the Settlement Class Members, Collective Members, and PAGA Group Members.

35. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for (a) Individual Settlement Payments; (b) the LWDA Payment; (c) Individual PAGA Payments; (d) Attorneys' Fees and Costs; (e) Enhancement Payments; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiffs and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel a draft of the Final Approval Motion at least five (5) business days before the filing deadline. By way of said motion, Plaintiffs will apply for the entry of the mutually-agreed upon proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in substantial part, the following:

- a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Certification of the Settlement Class Members and Collective Members;
- c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- d. Approval of the application for Enhancement Payment to Plaintiffs;

1 e. Directing Defendant to fund all amounts due under the Agreement and ordered by
2 the Court; and

3 f. Entering judgment in the Action barring and enjoining Plaintiffs from prosecuting
4 the Released Class Claims, Released FLSA Claims, and Released PAGA Claims against any of the
5 Released Parties, while maintaining continuing jurisdiction, in conformity with California Rules of
6 Court 3.769 and the Agreement, to ensure the continuing implementation of the provisions of this
7 Settlement.

8 36. Termination or Revocation of Settlement.

9 a. Notwithstanding any other provision of this Agreement, Defendant shall retain the
10 right, in the exercise of its sole discretion, to nullify the settlement within fifteen (15) calendar days after
11 expiration of the opt out period if ten percent (10%) or more of the Class Members opt out of this
12 settlement. Defendant must exercise this right of rescission in writing that is provided to Class Counsel
13 within fifteen (15) calendar days of the Response Deadline.

14 b. If the Court finds the Gross Fund Value to be insufficient to warrant Preliminary
15 Approval or Final Approval of the Settlement, Defendant may, at its election, rescind the Agreement and
16 all actions taken in furtherance of it will thereby be null and void.

17 37. Effects of Termination of the Settlement. Termination of the Agreement shall have the
18 following effects:

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

21 b. In the event the Agreement is terminated, Defendant shall have no obligation to
22 make any payments to any Party, Class Member, Collective Member, PAGA Group Member, or attorney,
23 except that the terminating Party shall pay the Settlement Administrator for services rendered up to the
24 date the Settlement Administrator is notified that the Settlement has been terminated;

25 c. The Preliminary Approval Order, Final Approval Order and Judgment, including
26 any order certifying the Class, shall be vacated;

27 d. The Agreement and all negotiations, statements and proceedings relating thereto
28 shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective

positions in the Actions prior to the execution of the Memorandum of Understanding;

e. Neither this Agreement, nor any ancillary documents, actions, statements or filings in furtherance of the Settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Actions or any other action for any purpose whatsoever; and

f. Any documents generated to bring the Settlement into effect, will be null and void, and any order or judgment entered by the Court in furtherance of this Agreement will likewise be treated as void from the beginning.

38. Escalator Clause. Defendant represents that during the periods at issue in this Settlement, Class, PAGA, and Collective Members worked no more than 14,000 total unique Qualifying Workweeks. If the number of unique Qualifying Workweeks at issue for the Class, PAGA, and Collective Members is more than twenty-five percent (25%) of the represented number of unique Qualifying Workweeks (i.e., exceeds 17,500 unique workweeks), Defendant will have the option to either pay a proportional amount in addition to the Gross Fund Value for each additional such unique Qualifying Workweeks that exceeds 17,500 unique Qualifying Workweeks, or to stop the Class Period at the point at which the number of unique Qualifying Workweeks is no more 17,500 unique Qualifying Workweeks.

39. Continued Jurisdiction. After entry of judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Agreement. The Parties agree to adopt and apply Rule 3.769(h) of the California Rules of Court requiring entry of judgment.

40. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement.

41. No Undue Publicity. None of the Parties nor their counsel shall publicize, or cause to be publicized, directly or indirectly, the discussions resulting in or the existence of this Settlement or its terms, in any type of mass media, including, but not limited to, speeches, press conferences, press releases,

1 interviews, television or radio broadcasts, newspapers, messages on the Internet, Facebook, Twitter,
2 TikTok, or any other social media, the Parties' counsels' or any other website. Breach of this provision by
3 Plaintiffs or Class Counsel shall entitle Defendant, in the exercise of its sole discretion, to nullify the
4 Settlement at any time before final approval by the Court. Should any Plaintiff at any time breach this
5 provision, the breaching Plaintiff shall forfeit to Defendant the full amount of their personal Enhancement
6 Payment. Without limitation by the foregoing, Defendant also may enforce this provision through an
7 action for injunctive relief. Plaintiffs waive any obligation by Defendant to file a bond in connection with
8 any such action. Breach of this provision by Defendant or its counsel shall sever this Paragraph rendering
9 this Paragraph null and void, while the rest of this Settlement shall survive and remain in full force and
10 effect. Nothing in this Paragraph shall prohibit Class Counsel from referring to this litigation and this
11 settlement in court filings. Likewise, nothing in this Paragraph shall prohibit Class Counsel from speaking
12 with Plaintiffs, Class Members, PAGA Group Members, and/or Collective Members about this Settlement
13 to the fullest extent necessary to meet their ethical obligations as Class Counsel.

14 42. Neutral Reference. Defendant agrees that in response to any request for a reference as to
15 Plaintiffs, it will only confirm their dates of employment, role, and if requested by Plaintiffs, their last
16 rate of pay.

17 43. Non-Disparagement: Plaintiffs promise not to do or say anything, verbally or in writing,
18 directly or indirectly, including on any social media, that disparages Defendant.

19 44. Disputes. Any disputes arising out of or relating to this Settlement will be submitted first
20 to the Mediator for mediation. The Parties will split the costs of the mediator and all Parties will bear their
21 own attorneys' fees and other costs incurred. However, to the extent the Parties are unable to resolve their
22 disputes via mediation, the aggrieved party may seek Court intervention. In such an event, the prevailing
23 party shall be entitled to an award of their reasonable attorneys' fees and costs from the non-prevailing
24 party.

25 45. Entire Agreement. This Agreement and any attached exhibits constitute the entirety of
26 the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be
27 deemed binding on the Parties. The Parties expressly recognize California Civil Code § 1625 and
28 California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed

1 according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree
2 that no such extrinsic oral or written representations or terms will modify, vary or contradict the terms
3 of this Agreement.

4 46. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the
5 Actions (including with respect to California Code of Civil Procedure section 583.310), except such
6 proceedings necessary to implement and complete the Agreement, pending the Final Approval Hearing
7 to be conducted by the Court.

8 47. Waiver and Amendment. The Parties may not waive, amend, or modify any provision of
9 this Agreement except by written agreement signed by counsel for all Parties, and subject to any
10 necessary Court approval. A waiver or amendment of any provision of this Agreement will not constitute
11 a waiver of any other provision.

12 48. Authorization to Enter into Agreement. Counsel for all Parties warrant and represent they
13 are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all
14 appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to
15 effectuate its terms and to execute any other documents required to effectuate the terms of this
16 Agreement. The Parties warrant that they understand and have full authority to enter into this
17 Agreement, and further intend that this Agreement will be fully enforceable and binding on all Parties,
18 and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms,
19 notwithstanding any mediation confidentiality provisions that otherwise might apply under state or
20 federal law.

21 49. Signatories. It is agreed that because the members of the Class are so numerous, it is
22 impossible or impractical to have each Settlement Class Member execute this Agreement. The
23 Preliminary Approval Notice will advise all Class Members of the binding nature of the release as to the
24 Settlement Class Members, and the release shall have the same force and effect as if this Agreement
25 were executed by each Settlement Class Member.

26 50. Binding on Successors and Assigns. This Agreement will be binding upon, and inure to
27 the benefit of, the successors or assigns of the Parties hereto, as previously defined.

28 51. California Law Governs. All terms of this Agreement and attached exhibits hereto will

1 be governed by and interpreted according to the laws of the State of California.

2 52. Execution and Counterparts. This Agreement is subject only to the execution of all
3 Parties. However, the Agreement may be executed in one or more counterparts, including via electronic
4 means. All executed counterparts and each of them, including facsimile, electronic, and scanned copies
5 of the signature page, will be deemed to be one and the same instrument.

6 53. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this
7 Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this settlement
8 after arm's-length negotiations and in the context of adversarial litigation, taking into account all
9 relevant factors, present and potential. The Parties further acknowledge that they are each represented
10 by competent counsel and that they have had an opportunity to consult with their counsel regarding the
11 fairness and reasonableness of this Agreement.

12 54. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
13 the Court will first attempt to construe the provision as valid to the fullest extent possible consistent
14 with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

15 55. Plaintiffs' Waiver of Right to Be Excluded. Plaintiffs agree to sign this Agreement and,
16 by signing this Agreement, are hereby bound by the terms herein.

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

with state, federal, local or other applicable law.

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

58. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Agreement.

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

60. All Terms Subject to Final Court Approval. All amounts and procedures described in this Agreement herein will be subject to final Court approval.

61. Notices. All notices, demands, and other communications to be provided concerning this Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiffs' and Class Counsel:

John G. Yslas
Jeffrey C. Bills
Aram Boyadjian
Andrew Sandoval
Wilshire Law Firm, PLC
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010

Mehrdad Bokhour
BOKHOUR LAW GROUP, P.C.
1901 Avenue of the Stars, Suite 450
Los Angeles, CA 90067

To Defendant:

Coby M. Turner
SEYFARTH SHAW LLP
400 Capitol Mall, Suite 2300
Sacramento, California 95814

Gina Gi
Juan Rehl-Garcia
SEYFARTH SHAW LLP
601 S. Figueroa Street, Suite 3300
Los Angeles, California 90017

62. Final Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Judgment on its website within three (3) business days of receipt. No individualized notice to the Class will be required.

63. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

64. Integration Clause. This Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. Upon execution and entry of the Final Approval Order and Judgment, all prior writings are null and void. No rights hereunder may be waived except in writing.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action, Representative Action and Collective Action Settlement between Plaintiffs and Defendant:

IT IS SO AGREED.

PLAINTIFF MATTHEW VELIZ

Dated: _____, 2023

Matthew Veliz

[Additional signatures on following page]

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64. Integration Clause. This Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. Upon execution and entry of the Final Approval Order and Judgment, all prior writings are null and void. No rights hereunder may be waived except in writing.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action, Representative Action and Collective Action Settlement between Plaintiffs and Defendant:

IT IS SO AGREED.

Dated: 12/6/2023, 2023

PLAINTIFF MATTHEW VELIZ

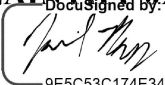
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Matthew Veliz

[Additional signatures on following page]

PLAINTIFF JAMIL M. BAZZY

Dated: 12/6/2023, 2023

DocuSigned by:

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Jamil M. Bazy

PLAINTIFF RONNIE VELIZ, SR.

Dated: _____, 2023

Ronnie Veliz, Sr.

PLAINTIFF ESTEBEN VELIZ

Dated: _____, 2023

Esteben Veliz

DEFENDANT DRINKPAK, LLC

Dated: _____, 2023

Full Name: Jer Monson

Title: General Counsel / Chief Human Resource Officer
On behalf of DrinkPAK, LLC

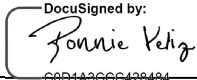
PLAINTIFF JAMIL M. BAZZY

Dated: _____, 2023

Jamil M. Bazy

PLAINTIFF RONNIE VELIZ, SR.

Dated: 12/6/2023, 2023

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Ronnie Veliz, Sr.

PLAINTIFF ESTEBEN VELIZ

Dated: _____, 2023

Esteben Veliz

DEFENDANT DRINKPAK, LLC

Dated: _____, 2023

Full Name: Jer Monson

Title: General Counsel / Chief Human Resource Officer
On behalf of DrinkPAK, LLC

PLAINTIFF JAMIL M. BAZZY

Dated: _____, 2023

Jamil M. Bazy

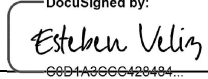
PLAINTIFF RONNIE VELIZ, SR.

Dated: _____, 2023

Ronnie Veliz, Sr.

PLAINTIFF ESTEBEN VELIZ

Dated: 12/6/2023, 2023

DocuSigned by:

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Esteben Veliz

DEFENDANT DRINKPAK, LLC

Dated: _____, 2023

Full Name: Jer Monson

Title: General Counsel / Chief Human Resource Officer
On behalf of DrinkPAK, LLC

PLAINTIFF JAMIL M. BAZZY

Dated: _____, 2023

Jamil M. Bazy

PLAINTIFF RONNIE VELIZ, SR.

Dated: _____, 2023

Ronnie Veliz, Sr.

PLAINTIFF ESTEBEN VELIZ

Dated: _____, 2023

Esteben Veliz

DEFENDANT DRINKPAK, LLC

Dated: 12/6/2023, 2023

Jer Monson

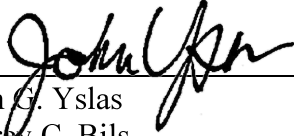
Full Name: Jer Monson

Title: General Counsel / Chief Human Resource Officer
On behalf of DrinkPAK, LLC

APPROVED AS TO FORM

Dated: 12/7/2023, 2023

WILSHIRE LAW FIRM, PLC



John G. Yslas
Jeffrey C. Bils
Aram Boyadjian
Andrew Sandoval
Attorneys for Plaintiff Matthew Veliz, Ronnie Veliz, Sr.,
Esteban Veliz, and Proposed Class Counsel

BOKHOUR LAW GROUP, P.C.

Dated: 12/6/2023, 2023

DocuSigned by:


D8D3643E271940F
Mehrdad Bokhour
Attorney for Plaintiff Jamil M. Bazzy and Proposed Class
Counsel

ESHAGHIAN LAW, PC

Dated: 12/6/2023, 2023

DocuSigned by:


E0741C8D145D421
Michelle Eshahian
Attorney for Plaintiff Jamil M. Bazzy and Proposed Class
Counsel

SEYFARTH SHAW LLP

Dated: _____, 2023

Coby M. Turner
Gina Gi
Juan Rehl-Garcia
Attorneys for Defendant DrinkPAK, LLC

1 **APPROVED AS TO FORM**

2 **WILSHIRE LAW FIRM, PLC**

3 Dated: _____, 2023

John G. Yslas
Jeffrey C. Bils
Aram Boyadjian
Andrew Sandoval
Attorneys for Plaintiff Matthew Veliz, Ronnie Veliz, Sr.,
Esteban Veliz, and Proposed Class Counsel

8 **BOKHOUR LAW GROUP, P.C.**

9 Dated: _____, 2023

Mehrdad Bokhour
Attorney for Plaintiff Jamil M. Bazzy and Proposed Class
Counsel

12 **ESHAGHIAN LAW, PC**

13 Dated: _____, 2023

Michelle Eshahian
Attorney for Plaintiff Jamil M. Bazzy and Proposed Class
Counsel

16 **SEYFARTH SHAW LLP**

17
18 Dated: 12/5/2023, 2023

Coby Turner

Coby M. Turner
Gina Gi
Juan Rehl-Garcia
Attorneys for Defendant DrinkPAK, LLC

EXHIBIT A

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

Matthew Veliz, et al. v. DrinkPAK, LLC

Los Angeles County Superior Court, Case No. 22STCV37384

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against DrinkPAK, LLC (“DrinkPAK”) for alleged wage and hour violations. The Action was filed by former DrinkPAK employees, Matthew Veliz, Jamil M. Bazzy, Ronnie Veliz Sr., and Esteben Veliz (“Plaintiffs”) and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members”) who worked for DrinkPAK during the Class Period November 29, 2018 through January 6, 2024; (2) back wages and other relief for a class of hourly employees (“Collective Members”) who worked for DrinkPAK during the FLSA Period November 29, 2019, through January 6, 2024; and (3) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for DrinkPAK during the PAGA Period (January 26, 2022 through January 6, 2024) (“Aggrieved Employees”).

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

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

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

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

If you worked for DrinkPAK during the Class Period and/or the PAGA Period and/or FLSA Period, you have three basic options under the Settlement, depending on the type of claim:

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

“My *endorsing*, cashing, or depositing of this check constitutes my consent to join the lawsuit entitled *Veliz v. DrinkPAK, LLC*, pending in the Superior Court of the State of California for the County of Los Angeles, Case No. 22STCV37384, pursuant to the provisions of the Fair Labor Standards Act (“FLSA”), 29 U.S.C. Section 216(b).”

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against DrinkPAK that are covered by this Settlement (Released Claims).
You must opt-in to receive your portion (if any) of the FLSA Settlement	You may opt-in to the FLSA portion of the proposed Settlement by endorsing, depositing, or cashing the Individual FLSA Payment check. The check will include language substantially similar to the language provided above.

You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. DrinkPAK must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. 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 _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) and FLSA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and/or FLSA Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks, FLSA Period Workweeks, and PAGA Period Pay Periods you worked according to DrinkPAK's records is stated on the first page of this Notice. If you disagree with any of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former DrinkPAK employees. The Action accuses DrinkPAK of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a

claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.) (“PAGA”), and under the Fair Labor Standards Act (29 U.S.C. section 201, *et seq.*) (“FLSA”). Plaintiffs are represented by attorneys in the Action: John G. Yslas, Jeffrey C. Bils, Aram Boyadjian, and Andrew Sandoval of The Wilshire Law Firm, PLC; Mehrdad Bokhour of Bokhour Law Group, P.C.; and Michelle Eshaghian of Eshaghian Law, PC (“Class Counsel.”)

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

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

So far, the Court has made no determination whether DrinkPAK or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and DrinkPAK hired an experienced, neutral mediator, exchanged informal discovery, and engaged in a full day of mediation in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and DrinkPAK 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, DrinkPAK does not admit any violations or concede the merit of any claims.

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

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

1. DrinkPAK Will Pay \$700,000.00 as the Gross Settlement Amount (Gross Settlement). DrinkPAK has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement, together with amounts necessary to fully pay Defendant’s share of payroll taxes (together, the “Gross Fund Value”). The Administrator will use the Gross Fund Value to pay the Individual Class Payments, Individual PAGA Payments, Individual FLSA Payments, Class Representative Service Payments, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”), and the employer share of any payroll taxes. Assuming the Court grants Final Approval, DrinkPAK will fund the Gross Fund Value not more than 14 days after the Judgment entered by the Court becomes final. The Judgment will be final on the expiration date of the time for filing or noticing any appeal from the Court’s entered Judgment, or a later date if Participating Class Members object to the proposed Settlement, Judgment is appealed, or a petition for review is filed.
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, the amounts of which will be decided by the

Court at the Final Approval Hearing:

- A. Up to \$233,310.00 (33.333% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$15,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to \$7,500.00 as a Class Representative Award to each Plaintiff for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment and any Individual FLSA Payment.
- C. Up to \$10,000 to the Administrator for services administering the Settlement.
- D. Up to \$20,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.
- E. Up to \$20,000 for FLSA damages, allocated 100% to Individual FLSA Payments to Collective Members based on their FLSA Period workweeks.

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

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- 4. Taxes Owed on Payments to Class Members. Plaintiffs and DrinkPAK are asking the Court to approve an allocation of 25% of each Individual Class Payment and Individual FLSA Payment to taxable wages ("Wage Portion") and 75% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. DrinkPAK will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class and FLSA Payments on IRS 1099 Forms.

Although Plaintiffs and DrinkPAK 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, Individual PAGA Payments, and Individual FLSA Payments will show the date when the check expires (the void date). If you don't cash your Class Payment and Individual PAGA Payment by the void date, uncollected funds will escheat to the State of California's Controller, to be held in the name of each expired check payee,

pursuant to applicable unclaimed property laws. If you don't cash the Individual FLSA Payment, the amount of such Individual FLSA Payment will be returned to DrinkPAK, as no FLSA release will be effectuated as to those individuals who do not cash their Individual FLSA Payment.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, 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 a Class Member or his/her/their representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against DrinkPAK.

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 DrinkPAK based on the PAGA Period facts alleged in the Action. Collective Members remain eligible for Individual FLSA Payments and give up their right to assert FLSA claims against DrinkPAK based on the facts alleged in the Action, upon endorsing, cashing, or depositing their Individual FLSA Payment check.

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 DrinkPAK have agreed that, in either case, the Settlement will be void: DrinkPAK will not pay any money and Class Members will not release any claims against DrinkPAK.
8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' and FLSA Members' Release. After the Judgment is final and DrinkPAK has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, and provided that you opt in by endorsing your Individual FLSA Payment check, you cannot sue, continue to sue or be part of any other lawsuit against DrinkPAK or related entities for wages based on the Class Period facts, FLSA Period facts, and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

Upon the date Defendant fully funds the entire Gross Fund Value and funds all employer payroll taxes owed on payments under this Settlement, Plaintiffs and all Class Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members), will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims during the Class Period, except as to the right to enforce the terms and conditions of this settlement.

“Released Class Claims” means any and all wage and hour claims that were pleaded or could have been pleaded, based on, or which arise out of the facts alleged in the Operative Complaint in the Action, arising during the Class Period. This includes known and unknown claims arising under California Labor Code sections 201-203, 204, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802, the applicable IWC Wage Order(s), the California Unfair Competition Law, California Business and Professions Code section 17200 *et seq.*, as well as all claims arising under the listed Labor Code statutes based on the primary rights of those statutes, irrespective of the theory of recovery alleged.

All Opt-In FLSA Members will be bound by the following release:

Additionally, upon the date Defendant fully funds the entire Gross Fund Value and funds all employer payroll taxes owed on payments under this Settlement, Plaintiffs and each Settlement Collective Member who timely participates in the settlement by timely cashing, depositing, or otherwise negotiating their Individual Settlement Payment will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released FLSA Claims during the FLSA Period, except as to the right to enforce the terms and conditions of this settlement.

“Released FLSA Claims” means all wage and hour claims under the Fair Labor Standards Act, 29 U.S.C. section 201, *et seq.* of whatever kind or nature, whether known or unknown, contingent or accrued, under any legal theory that was or reasonably could have been brought based on the facts alleged in any version of the complaints filed in the Action pertaining to Plaintiffs and the Collective Members.

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

The Aggrieved Employees’ Releases are as follows:

Finally, upon the date Defendant fully funds the entire Gross Fund Value and funds all employer payroll taxes owed on payments under this Settlement, Plaintiffs and all PAGA Group Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims during the PAGA Period, except as to the right to enforce the terms and conditions of this settlement.

“Released PAGA Claims” means all claims under the California Private Attorneys General Act of 2004 (“PAGA”) alleged in the Operative Complaint or claims that could have been alleged based on the facts pertaining to Plaintiffs and the PAGA Group Members, arising during the PAGA Period. This includes, but is not limited to PAGA claims for (1) failure to pay for all hours worked, including minimum, straight-time and overtime wages, resulting from work performed off-the-clock by, for example, requiring Plaintiffs and Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and/or requiring Plaintiffs and Aggrieved Employees to perform work after clocking out for the day; (2) failure provide legally compliant meal periods or pay legally mandated premiums in lieu thereof, resulting from work performed during, or in lieu of, meal periods, including by not permitting employees to leave the premises for meal periods; by requiring, pressuring, or encouraging them to perform work tasks that could not be completed without working in lieu of taking mandatory meal periods; and by failing to inform Plaintiffs of their right to, or not permitting him to take, a second meal period when Plaintiffs worked at least 10 hours of work in a workday; (3) failure provide legally compliant rest periods or pay legally mandated premiums in lieu thereof, resulting from work performed during, or in lieu of, rest periods, requiring, pressuring, or encouraging them to perform work tasks that could not be completed without working in lieu of taking mandatory rest periods (including failure to authorize and permit a third rest break when Plaintiffs worked at least 10 hours of work in a workday); (4) failure to pay all earned wages at least twice per month, resulting from failure to compensate employees for off-the-clock, as well as noncompliant meal and rest periods; (5) failure to maintain accurate records of hours worked, such as documenting off-the-clock work and meal periods taken; (6) failure to pay all wages owed at time of termination of employment such as compensation for off-the-clock work, as well as premiums for noncompliant meal and rest periods; (7) failure to furnish accurate itemized wage statements by failing to set forth all hours worked and corresponding rates of pay; and (8) failure to indemnify necessary business expenses such as tools, vehicle mileage and cell phone expenses (*See* California Labor Code sections 201-203, 204, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1197, 1198, 2899, 2802, and the applicable IWC Wage Order(s)), as well as all claims arising under the listed Labor Code statutes based on the primary rights of those statutes, irrespective of the theory of recovery alleged. It is understood that PAGA Group Members will not have the opportunity to opt out of, or object to, the Released PAGA Claims. Further, the PAGA Group Members are bound by the Released PAGA Claims regardless of whether they cash and/or otherwise negotiate their Individual PAGA Payment.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by dividing the total number of Qualifying Workweeks (including the multiplier for separated Class Members discussed below) worked during the Class Period into the Class Settlement Fund to arrive at a value per Qualifying Workweek for each eligible Settlement Class Member. For purposes of the Class Settlement Fund only, Class Members who were separated from employment with Defendant as of the date of preliminary approval will have their Qualifying Workweeks adjusted upward using a multiplier of 1.2 to account for the release of claims under California Labor Code sections 201-203. The value per Qualifying Workweek shall be multiplied by the number of Qualifying Workweeks worked by each Settlement Class Member during the Class Period. Partial Qualifying Workweeks will be counted as full Qualifying Workweeks.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by dividing \$20,000.00 by dividing the total number of Qualifying Workweeks worked during the PAGA Settlement Period into the PAGA Settlement Fund to arrive at a value per Qualifying Workweek for each eligible PAGA Group Member. The value per Qualifying Workweek shall be multiplied by the number of Qualifying Workweeks worked by each PAGA Group Member during the PAGA Settlement Period. Partial Qualifying Workweeks will be counted as full Qualifying Workweeks.
3. Individual FLSA Payments. The Administrator will calculate Individual FLSA Payments by dividing the total number of Qualifying Workweeks worked during the FLSA Period into the FLSA Settlement Fund to arrive at a value per Qualifying Workweek for each eligible Collective Member. The value per Qualifying Workweek shall be multiplied by the number of Qualifying Workweeks worked by each Collective Member during the FLSA Period. Partial Qualifying Workweeks will be counted as full Qualifying Workweeks.
4. Workweek/Pay Period Challenges. The number of Qualifying Class Workweeks and Qualifying FLSA Workweeks you worked during the Class Period and FLSA Period, and the number of Qualifying PAGA Workweeks you worked during the PAGA Period, as recorded in DrinkPAK's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks 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 DrinkPAK's calculation of Workweeks based on DrinkPAK's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members, Collective Members, and PAGA Group Members) and DrinkPAK's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Collective Members: Each Collective Member's share from the FLSA Settlement Fund will be issued in a check separate from the payments to Settlement Class Members and PAGA Group Members, as a result, some individuals may ultimately receive more than one settlement check. Opt-in and release language regarding the release of the FLSA claim will be printed on the FLSA settlement checks, with instructions that endorsing, cashing, or depositing such check constitutes consent under the FLSA to opt into the collective action. The language to be included will be substantially similar to the following:

“My *endorsing*, cashing, or depositing of this check constitutes my consent to join the lawsuit entitled *Veliz v. DrinkPAK, LLC*, pending in the Superior Court of the State of California for the County of Los Angeles, Case No. 22STCV37384, pursuant to the provisions of the Fair Labor Standards Act (“FLSA”), 29 U.S.C. Section 216(b).”

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

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

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

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

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and DrinkPAK are asking the Court to approve. At least 60 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 Awards stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Awards. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ or the Court's website _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is _____.** 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 *Matthew Veliz, et al. v. DrinkPAK, LLC* and include your name, current address, telephone number and approximate dates of employment for DrinkPAK and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

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

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything DrinkPAK 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 _____ website at _____.

You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 2STCV37384. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

Name of Attorney: John G. Yslas, Jeffrey C. Bils, Aram Boyadjian, and Andrew Sandoval

Email Address: jyslas@wilshirelawfirm.com, jbils@wilshirelawfirm.com,
aboyadjian@wilshirelawfirm.com, andrew.sandoval@wilshirelawfirm.com

Name of Firm: Wilshire Law Firm, APC

Mailing Address: 3055 Wilshire Boulevard, 12th Floor, Los Angeles, CA 90010

Telephone: (213) 381-9988

Settlement Administrator:

Name of Company: ILYM Group, Inc.

Email Address: claims@ilymgroup.com

Mailing Address: P.O. Box 2031, Tustin, CA 92781

Telephone: (888) 250-6810

Fax Number: (888) 845-6185

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 from your Individual Settlement Payment and Individual PAGA Payment. You will have no way to recover any uncashed and voided checks related to the FLSA Settlement Fund.

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.

**NOTIFICACIÓN APROBADA POR EL TRIBUNAL DE UN ACUERDO EN UNA
DEMANDA COLECTIVA Y FECHA DE AUDIENCIA PARA LA APROBACIÓN FINAL
DEL TRIBUNAL**

Matthew Veliz, et al. v. DrinkPAK, LLC

Tribunal Superior del Condado de Los Ángeles, Caso No. 22STCV37384

***El Tribunal Superior del Estado de California ha autorizado esta notificación. Por favor, léala
con atención. No se trata de correo basura, spam, un anuncio, ni una solicitud de un abogado.
Usted no está siendo demandado.***

Usted podría ser elegible para recibir compensación monetaria derivada de una demanda colectiva laboral ("la Demanda") interpuesta contra DrinkPAK, LLC ("DrinkPAK") por presuntas violaciones en materia de salarios y horarios. La Demanda fue presentada por los ex empleados de DrinkPAK: Matthew Veliz, Jamil M. Bazy, Ronnie Veliz Sr. y Esteben Veliz ("los Demandantes"). Esta busca el resarcimiento por (1) salarios impagos y otras compensaciones para un grupo colectivo de empleados por hora ("Miembros de la Demanda Colectiva") que trabajaron en DrinkPAK durante el periodo de la demanda colectiva, desde el 29 de noviembre de 2018 hasta el 6 de enero de 2024; (2) salarios impagos y otras indemnizaciones para otro grupo de empleados por hora ("Miembros Colectivos") que laboraron en DrinkPAK en el periodo conforme a la Ley de Normas Razonables de Trabajo (FLSA) desde el 29 de noviembre de 2019 hasta el 6 de enero de 2024; y (3) penalizaciones conforme a la Ley de Acciones de Abogados Generales Privados de California ("PAGA") para todos los empleados por hora que trabajaron en DrinkPAK durante el Periodo PAGA, del 26 de enero de 2022 al 6 de enero de 2024 ("Empleados Afectados").

El Acuerdo propuesto consta de dos componentes principales: (1) un Acuerdo Colectivo que obliga a DrinkPAK a financiar los Pagos Individuales correspondientes a la Demanda Colectiva y los Pagos Individuales relacionados con la FLSA; y (2) un Acuerdo bajo la PAGA que impone a DrinkPAK la responsabilidad de sufragar los Pagos Individuales de la PAGA y abonar multas a la Agencia de Desarrollo Laboral y del Trabajo de California ("LWDA").

Basado en los registros de DrinkPAK y las suposiciones actuales de las partes involucradas, se estima que su **Pago Individual correspondiente a la Demanda Colectiva será de \$__ (descontando retenciones)**, su **Pago Individual de la FLSA se estima en \$__ (descontando retenciones)**, y su **Pago Individual de la PAGA se calcula en \$__**. Es posible que la cantidad final que usted reciba difiera de estas estimaciones y dependerá de diversos factores. (Si no se especifica ningún monto para su Pago Individual de la PAGA y/o Pago Individual de la FLSA, significa que, según los registros de DrinkPAK, usted no califica para recibir un Pago Individual de la PAGA y/o un Pago Individual de la FLSA bajo los términos del Acuerdo, debido a que no trabajó durante el Período de la PAGA y/o el Período de la FLSA).

Las estimaciones previamente mencionadas se fundamentan en los registros de DrinkPAK, los cuales indican que **usted trabajó __ semanas** durante el Período de la Demanda Colectiva, **__ semanas** durante el Período de la FLSA, y **__ semanas** durante el Período de la PAGA. Si considera que trabajó más semanas durante alguno de estos periodos, tiene la opción de presentar una impugnación antes de la fecha límite establecida. Por favor, consulte la Sección 4 de esta notificación para más detalles.

El Tribunal ya ha otorgado una aprobación preliminar al Acuerdo propuesto y ha autorizado esta Notificación. Sin embargo, aún no ha determinado si otorgará su aprobación final. Sus derechos legales se verán afectados independientemente de que decida actuar o no. Es imperativo que lea detenidamente esta notificación. Se asumirá que usted ha comprendido su contenido a cabalidad. Durante la Audiencia de Aprobación Final, el Tribunal determinará si aprueba definitivamente el Acuerdo y cuánto del mismo será destinado al Demandante y a los abogados de los Demandantes (los "Abogados del Colectivo de Demandantes"). Además, el Tribunal decidirá si emite una sentencia que obligue a DrinkPAK a realizar los pagos estipulados en el Acuerdo y que exija a los Miembros de la Demanda Colectiva, Miembros Colectivos, y a los Empleados Afectados renunciar a sus derechos de presentar ciertas reclamaciones contra DrinkPAK.

Si trabajó para DrinkPAK durante el Período de la Demanda Colectiva y/o el Período de la PAGA y/o el Período de la FLSA, dispone de tres opciones fundamentales bajo el Acuerdo, dependiendo del tipo de reclamación:

- (1) **No tomar acción alguna.** No necesita realizar ninguna acción para participar en el Acuerdo propuesto y ser elegible para recibir un Pago Individual de la Demanda Colectiva y/o un Pago Individual de la PAGA. No obstante, como Miembro Participante de la Demanda Colectiva, renunciará a su derecho de presentar reclamaciones por salarios del Período de la Demanda Colectiva y reclamaciones de penalizaciones del Período de la PAGA contra DrinkPAK.
- (2) **Optar por no participar en el Acuerdo Colectivo.** Usted tiene la opción de excluirse del Acuerdo Colectivo (optar por no participar) enviando una Solicitud de Exclusión por escrito o notificando al Administrador de la misma manera. Al elegir no participar en el Acuerdo, no recibirá un Pago Individual de la Demanda Colectiva, pero mantendrá su derecho a interponer personalmente reclamaciones salariales por el Período de la Demanda Colectiva contra DrinkPAK. Si usted es un Empleado Agraviado, continuará siendo elegible para recibir un Pago Individual de la PAGA, y si es un Miembro Colectivo, seguirá siendo elegible para un Pago Individual de la FLSA. No es posible optar por no participar en la parte del Acuerdo relacionada con la PAGA.
- (3) **Optar por participar en el Acuerdo de la FLSA.** Para formar parte de la sección de la FLSA del Acuerdo propuesto, debe manifestar su consentimiento de manera afirmativa, endosando, depositando y/o cobrando el cheque correspondiente al Pago Individual de la FLSA. Dicho cheque contendrá un texto sustancialmente similar al siguiente:

"Mi endoso, cobro o depósito de este cheque constituye mi consentimiento para unirme a la demanda titulada Veliz v. DrinkPAK, LLC, que se encuentra pendiente en el Tribunal Superior del Estado de California para el Condado de Los Ángeles, Caso No. 22STCV37384, en conformidad con las disposiciones de la Ley de Normas Laborales Justas ('FLSA'), 29 U.S.C. Sección 216(b)".

DrinkPAK se compromete a no tomar represalias contra usted por cualquier acción que decida emprender en relación con el Acuerdo propuesto.

RESUMEN DE SUS DERECHOS Y OPCIONES LEGALES EN ESTE ACUERDO

No es necesario que realice ninguna acción para participar en el acuerdo.	Si decide no actuar, automáticamente se convertirá en un Miembro Participante del colectivo, lo que le hace elegible para recibir un Pago Individual de la Demanda Colectiva y un Pago Individual de la PAGA (si aplica). Como contrapartida, renunciará a su derecho de presentar reclamaciones salariales contra DrinkPAK que estén incluidas en este Acuerdo (las "Reclamaciones Exoneradas").
Debe optar por recibir su parte (si la hubiera) del Acuerdo de la FLSA	Usted tiene la opción de participar en la sección de la FLSA del Acuerdo propuesto, procediendo a endosar, depositar o cobrar el cheque correspondiente al Pago Individual de la FLSA. El cheque incluirá un texto sustancialmente similar al lenguaje previamente proporcionado.
Usted puede elegir excluirse del Acuerdo Colectivo, pero no tiene la opción de excluirse del Acuerdo relacionado con la PAGA. La fecha límite para optar voluntariamente por la exclusión es ____.	Si no desea participar plenamente en el Acuerdo propuesto, tiene la opción de excluirse del Acuerdo Colectivo mediante el envío de una Solicitud de Exclusión por escrito al Administrador. Al optar por la exclusión, se convertirá en un Miembro No Participante del colectivo y, por tanto, no será elegible para recibir un Pago Individual de la Demanda Colectiva. Los Miembros No Participantes de la Demanda Colectiva no tienen derecho a objetar ninguna parte del Acuerdo propuesto. Para más información, consulte la Sección 6 de esta notificación. No se permite la exclusión de la parte del Acuerdo correspondiente a la PAGA. DrinkPAK está obligado a realizar Pagos Individuales de la PAGA a todos los Empleados Afectados, y estos empleados deben renunciar a sus derechos de presentar Reclamaciones Exoneradas (definidas más adelante).
Los Miembros Participantes de la Demanda Colectiva tienen el derecho de objetar el Acuerdo del Colectivo de Demandantes, pero no pueden objetar el Acuerdo relacionado con la PAGA. Las objeciones escritas deben ser presentadas antes del ____.	Todos los Miembros de la Demanda Colectiva que no opten por excluirse ("Miembros Participantes de la Demanda Colectiva") tienen derecho a objetar cualquier aspecto del Acuerdo propuesto. La decisión del Tribunal sobre la aprobación final del Acuerdo incluirá una determinación sobre las cantidades que se pagarán tanto a los Abogados del Colectivo de Demandantes como a los Demandantes que interpusieron la Demanda en representación del Colectivo. Usted personalmente no es responsable de efectuar pagos a los Abogados del Colectivo de Demandantes ni a los Demandantes. Sin embargo, es importante notar que cada dólar pagado a estos reduce el monto total disponible para los Miembros Participantes de la Demanda Colectiva. Usted tiene la opción de objetar las cantidades solicitadas por los Abogados del Colectivo de Demandantes o por los Demandantes si considera que no son razonables. Para más detalles, consulte la Sección 7 de esta notificación.
Usted puede participar en la Audiencia de	La Audiencia de Aprobación Final del Tribunal está programada para realizarse el _____. No es obligatorio su asistencia, pero tiene

Aprobación Final que se llevará a cabo el _____.	el derecho de comparecer (o de designar a un abogado que comparezca en su nombre, asumiendo usted los costos), ya sea en persona, por teléfono o a través de la plataforma de comparecencia virtual del Tribunal. Los Miembros Participantes de la Demanda Colectiva tienen la posibilidad de expresar objeciones verbalmente respecto al Acuerdo durante la Audiencia de Aprobación Final. Para más información, consulte la Sección 8 de esta notificación.
Tiene la opción de impugnar el cálculo de sus semanas laborales o períodos de pago. Las impugnaciones por escrito deben ser presentadas antes del _____.	El monto de su Pago Individual de la Demanda Colectiva, del Pago de la PAGA (si aplica) y del Pago de la FLSA (si aplica) se basa en el número de semanas laborales en las que trabajó al menos un día durante el Período de la Demanda Colectiva y/o el Período de la FLSA, y en la cantidad de Períodos de Pago en los que trabajó al menos un día durante el Período de la PAGA, respectivamente. El número de semanas laborales durante el Período de la Demanda Colectiva, semanas laborales durante el período de la FLSA y períodos de pago durante el período de la PAGA, según los registros de DrinkPAK, se detallan en la primera página de esta notificación. Si no está de acuerdo con alguno de estos números, tiene la opción de impugnarlo . Para más detalles, consulte la Sección 4 de esta notificación.

1. ¿DE QUÉ SE TRATA LA DEMANDA?

Los Demandantes, quienes son ex empleados de DrinkPAK, han acusado a la empresa de violar las leyes laborales de California. Entre las acusaciones se incluyen el no pago de salarios por horas extras, salarios mínimos, salarios adeudados al momento de la terminación, gastos reembolsables, y la falta de provisión de períodos de comida, descansos, así como declaraciones de salarios detalladas y precisas. Basándose en estas mismas reclamaciones, los Demandantes también han presentado una demanda de sanciones civiles bajo la Ley General de Abogados Privados de California (Código de Trabajo, § 2698 y siguientes) ("PAGA"), y en virtud de la Ley de Normas Laborales Justas (29 U.S.C., sección 201 y siguientes) ("FLSA"). Los Demandantes están representados por los abogados John G. Yslas, Jeffrey C. Bils, Aram Boyadjian y Andrew Sandoval de The Wilshire Law Firm, PLC; Mehrdad Bokhour de Bokhour Law Group, P.C.; y Michelle Eshaghian de Eshaghian Law, PC (los "Abogados del Colectivo de Demandantes").

Por su parte, DrinkPAK niega categóricamente haber infringido alguna ley o haber dejado de pagar salarios debidos, y afirma haber cumplido con todas las leyes aplicables.

2. ¿QUÉ SIGNIFICA QUE LA DEMANDA SE HA RESUELTO?

Hasta la fecha, el Tribunal no ha determinado si DrinkPAK o los Demandantes tienen la razón en cuanto al fondo del caso. En este contexto, los Demandantes y DrinkPAK recurrieron a un mediador neutral y con experiencia, intercambiaron evidencias de manera informal y participaron en un día completo de mediación, todo ello con el objetivo de resolver la Demanda a través de un acuerdo negociado (la resolución del caso), en vez de proseguir con un proceso de litigio costoso y prolongado. Las negociaciones resultaron exitosas. Al firmar un detallado acuerdo escrito ("el Acuerdo") y acordar solicitar conjuntamente al Tribunal que emita una sentencia finalizando la

Demanda y haciendo cumplir el Acuerdo, los Demandantes y DrinkPAK han elaborado una propuesta de Acuerdo sujeta a la Aprobación Final del Tribunal. Ambas partes concuerdan en que el Acuerdo propuesto representa un compromiso respecto a las reclamaciones en disputa. Al aceptar el acuerdo, DrinkPAK no reconoce ninguna violación ni admite la validez de ninguna de las reclamaciones.

Los Demandantes y los Abogados del Colectivo de Demandantes creen firmemente que el Acuerdo es beneficioso para usted, argumentando que: (1) DrinkPAK ha acordado pagar una suma justa, razonable y adecuada, considerando la fortaleza de las reclamaciones y los riesgos e incertidumbres de continuar el litigio; y (2) el acuerdo sirve al mejor interés de los Miembros de la Demanda Colectiva, los Miembros de la FLSA y los Empleados Afectados. El Tribunal ha aprobado preliminarmente el Acuerdo propuesto como justo, razonable y adecuado, ha autorizado esta Notificación y ha programado una audiencia para determinar la Aprobación Final.

3. ¿CUÁLES SON LOS TÉRMINOS IMPORTANTES DEL ACUERDO PROPUESTO?

1. DrinkPAK abonará \$700,000.00 como monto bruto del acuerdo (el "Acuerdo Bruto"). DrinkPAK se ha comprometido a depositar este Acuerdo Bruto en una cuenta controlada por el Administrador del Acuerdo, junto con los fondos necesarios para cubrir la totalidad de la parte correspondiente a los impuestos sobre la nómina del Demandado (esto en conjunto, constituye el "Valor Bruto del Fondo"). El Administrador del Acuerdo utilizará el Valor Bruto del Fondo para realizar los Pagos Individuales de la Demanda Colectiva, los Pagos Individuales de la PAGA, los Pagos Individuales de la FLSA, los Pagos por Servicios de los Representantes del Colectivo, los honorarios y gastos de los Abogados del Colectivo de Demandantes, los gastos administrativos, las multas a pagar a la Agencia de Trabajo y Desarrollo de la Fuerza Laboral de California ("LWDA"), y la parte del empleador en los impuestos sobre la nómina. Suponiendo que el Tribunal conceda la Aprobación Final, DrinkPAK aportará el Valor Bruto del Fondo en un plazo no mayor a 14 días después de que el Fallo del Tribunal sea definitivo. Dicho Fallo se considerará definitivo en la fecha límite para presentar o notificar cualquier apelación del Fallo del Tribunal, o en una fecha posterior, en caso de que los Miembros Participantes de la Demanda Colectiva se opongan al Acuerdo propuesto, se apele el Fallo o se presente una petición de revisión.
2. Deducciones del Acuerdo Bruto aprobadas por el tribunal. Durante la Audiencia de Aprobación Final, los Demandantes y/o los Abogados del Colectivo de Demandantes solicitarán al Tribunal la aprobación de las siguientes deducciones del Acuerdo Bruto, cuyos montos serán determinados por el Tribunal en dicha audiencia:
 - A. Hasta \$233,310.00 (equivalente al 33.333% del Acuerdo Bruto) para los Abogados del Colectivo de Demandantes como honorarios legales, y hasta \$15,000 para cubrir sus gastos de litigio. Hasta la fecha, los Abogados del Colectivo de Demandantes han trabajado e incurrido en gastos en la Demanda sin haber recibido pago alguno.
 - B. Hasta \$7,500.00 como Premio de Representante del Colectivo para cada Demandante por presentar la Demanda, colaborar con los Abogados del Colectivo de Demandantes y representar al Colectivo. Dicho Premio Representativo del Colectivo será la única compensación que recibirán los Demandantes, aparte de su Pago Individual de la Demanda Colectiva y cualquier Pago Individual de la PAGA

y Pago Individual de la FLSA.

- C. Hasta \$10,000.00 al Administrador por sus servicios en la gestión del Acuerdo.
- D. Hasta \$20,000.00 para Multas de la PAGA, distribuidas en un 75% para el Pago de la PAGA a la LWDA y un 25% en Pagos Individuales de la PAGA para los Empleados Afectados, basándose en sus Períodos de Pago de la PAGA.
- E. Hasta \$20,000.00 para compensaciones y perjuicios bajo la FLSA, asignados en su totalidad (100%) a los Pagos Individuales de la FLSA para los Miembros Colectivos, de acuerdo con sus semanas de trabajo durante el período de la FLSA.

Los Miembros Participantes de la Demanda Colectiva tienen derecho a objetar cualquiera de estas deducciones. El Tribunal considerará todas las objeciones presentadas.

- 3. Distribución del Acuerdo Neto a los Miembros de la Demanda Colectiva. Una vez realizadas las deducciones anteriormente mencionadas en los montos aprobados por el Tribunal, el Administrador procederá a distribuir el remanente del Acuerdo Bruto (denominado como "Acuerdo Neto") a través de Pagos Individuales de la Demanda Colectiva a los Miembros Participantes de la Demanda Colectiva. Estos pagos se calcularán en función de las Semanas Laborales trabajadas durante el Período de la Demanda Colectiva.
- 4. Impuestos aplicables a los pagos a los Miembros de la Demanda Colectiva. Los Demandantes y DrinkPAK han solicitado al Tribunal que apruebe una distribución del 25% de cada Pago Individual de la Demanda Colectiva y Pago Individual de la FLSA como salarios imposables ("Porción de Salario") y el 75% como intereses y multas ("Porción No Salarial"). La Porción de Salario estará sujeta a retenciones fiscales y se reportará en los formularios W-2 del IRS. DrinkPAK se encargará de pagar por separado los impuestos sobre la nómina del empleador correspondientes a la Porción de Salario. Los Pagos Individuales de la PAGA se considerarán como multas y no como salarios a efectos fiscales. El Administrador reportará los Pagos Individuales de la PAGA y las Porciones No Salariales de los Pagos Individuales de la Demanda Colectiva y de la FLSA en los Formularios 1099 del IRS.

Aunque los Demandantes y DrinkPAK han acordado estas asignaciones, no están brindando asesoramiento sobre la tributación de los Pagos ni sobre la cantidad de impuestos que podría deber. Usted es responsable de pagar todos los impuestos (incluyendo multas e intereses por impuestos atrasados) sobre cualquier Pago recibido del Acuerdo propuesto. Es recomendable consultar a un asesor fiscal si tiene preguntas sobre las implicaciones fiscales del Acuerdo propuesto.

- 5. Importancia de cobrar los cheques de pago a tiempo. El frente de cada cheque emitido para los Pagos Individuales del Colectivo, Pagos Individuales de la PAGA y Pagos Individuales de la FLSA incluirá la fecha de vencimiento del cheque (la fecha de caducidad). Si no cobra su Pago Individual de la Demanda Colectiva o el Pago Individual de la PAGA antes de esta fecha de caducidad, los fondos no reclamados serán transferidos al Contralor del Estado de California y se mantendrán a nombre de cada beneficiario del cheque caducado, de acuerdo con las leyes aplicables de propiedad no reclamada. Si no cobra su Pago Individual de la FLSA, el importe correspondiente a dicho Pago Individual de la FLSA será devuelto a

DrinkPAK, dado que no se efectuará ninguna exoneración de la FLSA en relación con aquellas personas que no cobren su Pago Individual de la FLSA.

6. Proceso para solicitar la exclusión del Acuerdo Colectivo (exclusiones). Será considerado un Miembro Participante del Colectivo de Demandantes y participará plenamente en el Acuerdo del Colectivo de Demandantes, a menos que notifique al Administrador por escrito, antes del _____, de su deseo de excluirse. La forma más sencilla de notificar al Administrador es enviando una Solicitud de Exclusión escrita y firmada dentro del plazo de respuesta establecido del _____. Esta Solicitud de Exclusión debe ser una carta de un Miembro del Colectivo o su representante legal, que incluya el nombre, dirección actual, número de teléfono y una declaración simple del Miembro del Colectivo que elija ser excluido del Acuerdo. Los Miembros de la Demanda Colectiva que se excluyan (es decir, los Miembros de la Demanda Colectiva No Participantes) no recibirán Pagos Individuales de la Demanda Colectiva, pero mantendrán sus derechos para presentar reclamaciones de salarios y horas contra DrinkPAK de manera personal.

No es posible optar por no participar en la parte del Acuerdo relacionada con la PAGA. Los Miembros de la Demanda Colectiva que se excluyan del Acuerdo Colectivo (Miembros de la Demanda Colectiva No Participantes) seguirán siendo elegibles para los Pagos Individuales de la PAGA y deben renunciar a su derecho de presentar reclamaciones de la PAGA contra DrinkPAK basadas en los hechos del Período de la PAGA alegados en la Demanda. Los Miembros Colectivos seguirán siendo elegibles para los Pagos Individuales de la FLSA y renunciarán a su derecho de presentar reclamaciones de la FLSA contra DrinkPAK relacionadas con los hechos alegados en la Demanda, al endosar, cobrar o depositar su cheque de Pago Individual de la FLSA.

7. Anulación del acuerdo propuesto en caso de no recibir la aprobación final del tribunal. Existe la posibilidad de que el Tribunal decida no otorgar la Aprobación Final al Acuerdo o se abstenga a emitir un Fallo. Asimismo, es factible que el Tribunal emita una sentencia que posteriormente sea revocada en apelación. Los Demandantes y DrinkPAK han acordado que, en cualquiera de estos escenarios, el Acuerdo se considerará nulo: DrinkPAK no realizará ningún pago y los Miembros de la Demanda Colectiva no renunciarán a ninguna reclamación en contra de DrinkPAK.
8. 8. Administrador del Acuerdo. El Tribunal ha designado a ILYM Group, Inc. (el "Administrador"), una empresa neutral, para llevar a cabo varias tareas clave en relación con el Acuerdo. Estas incluyen el envío de esta Notificación, el cálculo y la realización de los pagos, así como el procesamiento de las Solicitudes de Exclusión de los Miembros del Colectivo. Además, el Administrador será responsable de decidir sobre las Impugnaciones presentadas por los Miembros de la Demanda Colectiva respecto a sus Semanas Laborales, de enviar y reenviar los cheques del acuerdo y los formularios fiscales correspondientes, y de realizar otras tareas necesarias para la administración del Acuerdo. Puede encontrar la información de contacto del Administrador en la Sección 9 de esta Notificación.
9. Renuncia de reclamaciones por parte de los Miembros Participantes de la Demanda Colectiva y de los miembros de la FLSA. Una vez que la Sentencia sea definitiva y DrinkPAK haya financiado en su totalidad el Acuerdo Bruto y pagado por separado todos los impuestos sobre la nómina del empleador, los Miembros Participantes de la Demanda Colectiva no podrán presentar ninguna de las Reclamaciones Exoneradas contempladas en el Acuerdo. Esto implica que, a menos que usted haya optado por no participar,

excluyéndose de manera válida del Acuerdo Colectivo, y siempre que proceda a endosar su cheque de Pago Individual de la FLSA, no podrá interponer, continuar o formar parte de ninguna otra demanda contra DrinkPAK o entidades relacionadas en relación con reclamaciones de salarios basadas en los hechos del Período de la Demanda Colectiva, los hechos del Período de la FLSA, y las sanciones de la PAGA basadas en los hechos del Período de la PAGA, tal como se alega en la Demanda y se resuelve en este Acuerdo.

Los Miembros Participantes de la Demanda Colectiva estarán sujetos a la siguiente renuncia de reclamaciones:

A partir de la fecha en que el Demandado haya financiado completamente el Valor Bruto del Fondo y haya cubierto todos los impuestos sobre la nómina del empleador correspondientes a los pagos en virtud de este Acuerdo, se entenderá que los Demandantes y todos los Miembros de la Demanda Colectiva que no hayan presentado una Solicitud de Exclusión válida y oportuna (es decir, los Miembros de la Demanda Colectiva del Acuerdo) han renunciado, liberado, liquidado y comprometido de manera completa, definitiva y perpetua, y han eximido a las Partes Exoneradas de todas las Reclamaciones Colectivas Exoneradas durante el Período de la Demanda Colectiva, excepto en lo que respecta al derecho a hacer cumplir los términos y condiciones de este Acuerdo.

Las "Reclamaciones Colectivas Exoneradas" se refieren a todas y cada una de las reclamaciones de salarios y horas que se alegaron o podrían haberse presentado, basándose en, o surgiendo de los hechos alegados en la Demanda Operativa, que ocurrieron durante el Período de la Demanda Colectiva. Esto incluye tanto reclamaciones conocidas como desconocidas que surgen bajo las secciones 201-203, 204, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802 del Código Laboral de California, las Orden(es) Salarial(es) de la CBI aplicables, la Ley de Competencia Desleal de California, la sección 17200 y siguientes del Código de Negocios y Profesiones de California, así como todas las reclamaciones que surjan bajo los estatutos enumerados del Código Laboral basadas en los derechos primarios de dichos estatutos, independientemente de la teoría de recuperación alegada..

Todos los miembros de la FLSA que opten por participar estarán sujetos a la siguiente renuncia de reclamaciones:

Adicionalmente, a partir de la fecha en que el Demandado haya financiado completamente el Valor Bruto del Fondo y haya cubierto todos los impuestos sobre la nómina del empleador correspondientes a los pagos bajo este Acuerdo, se considerará que los Demandantes y cada Miembro Colectivo del Acuerdo que participe efectivamente en el acuerdo, cobrando, depositando o negociando oportunamente su Pago Individual del Acuerdo, han renunciado, liberado, resuelto, comprometido y exonerado definitiva y completamente a las Partes Exoneradas de todas las Reclamaciones Exoneradas de la FLSA durante el Período de la FLSA, salvo en lo que respecta al derecho a hacer cumplir los términos y condiciones de este Acuerdo.

Las "Reclamaciones Exoneradas de la FLSA" se refieren a todas las reclamaciones de salarios y horas bajo la Ley de Normas Laborales Justas, 29 U.S.C. sección 201

y siguientes, de cualquier tipo o naturaleza, ya sean conocidas o desconocidas, contingentes o devengadas, bajo cualquier teoría legal que se haya presentado o razonablemente podría haberse presentado basándose en los hechos alegados en cualquier versión de las demandas presentadas en la Demanda relacionada con los Demandantes y los Miembros Colectivos..

10. Renuncia de Reclamaciones de la PAGA por parte de los Empleados Afectados. Una vez que la sentencia del Tribunal sea definitiva y DrinkPAK haya abonado el Acuerdo Bruto (además de haber pagado por separado los impuestos sobre la nómina del lado del empleador), todos los Empleados Afectados no podrán presentar reclamaciones bajo la PAGA contra DrinkPAK, independientemente de si se excluyen o no del Acuerdo. Esto implica que todos los Empleados Afectados, incluyendo a aquellos que son Miembros Participantes de la Demanda Colectiva y aquellos que optan por no participar en el Acuerdo Colectivo, no podrán interponer, continuar o participar en cualquier otro reclamo bajo la PAGA contra DrinkPAK o sus entidades relacionadas basándose en los hechos del Período de la PAGA alegados en la Demanda y resueltos por este Acuerdo.

Las Renuncias de Reclamaciones de los Empleados Afectados son las siguientes:

Finalmente, desde la fecha en que el Demandado haya financiado completamente el Valor Bruto del Fondo y haya abonado todos los impuestos sobre la nómina del empleador correspondientes a los pagos bajo este Acuerdo, se considerará que los Demandantes y todos los Miembros de la Demanda Colectiva de la PAGA han renunciado, liberado, liquidado, comprometido y exonerado de manera completa, definitiva y perpetua a las Partes Exoneradas de todas las Reclamaciones Exoneradas de la PAGA ocurridas durante el Período de la PAGA, salvo en lo que respecta al derecho a hacer cumplir los términos y condiciones de este Acuerdo.

Las "Reclamaciones de la PAGA Exoneradas" se refieren a todas las reclamaciones bajo la Ley de Fiscales Generales Privados de California de 2004 ("PAGA") que fueron alegadas en la Demanda Operativa, o que podrían haberse alegado basándose en los hechos relacionados con los Demandantes y los Miembros de la Demanda Colectiva de la PAGA, que surgieron durante el Período de la PAGA. Esto incluye, pero no se limita a, reclamaciones de la PAGA por: (1) Falta de pago de todas las horas trabajadas, incluyendo salarios mínimos, tiempo corrido y horas extras, como resultado del trabajo realizado fuera del horario laboral, incluyendo trabajo durante períodos de comida y descanso no remunerados, y/o después de marcar la salida del día; (2) No proporcionar períodos de comida que cumplan con la ley o pagar las primas legalmente obligatorias en su lugar, por ejemplo, al no permitir que los empleados salgan de las instalaciones durante los períodos de comida, o al no informarles de su derecho a tomar un segundo período de comida después de 10 horas de trabajo; (3) No proporcionar períodos de descanso que cumplan con la ley o pagar primas legalmente obligatorias en su lugar, incluyendo la falta de autorización y permiso de un tercer descanso cuando se trabaja más de 10 horas; (4) Falta de pago de todos los salarios devengados al menos dos veces al mes, incluyendo compensación por períodos de comida y descanso fuera del horario laboral; (5) No mantener registros precisos de las horas trabajadas; (6) Falta de pago de todos los salarios adeudados en el momento de la terminación del empleo; (7) No proporcionar declaraciones de salarios detalladas y precisas; (8) Falta de indemnización de gastos comerciales necesarios. Estas reclamaciones incluyen las secciones 201-203, 204, 218.5, 218.6, 226, 226.3, 226.7,

510, 512, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802 y las Orden(es) Salarial(es) de la CBI aplicables, así como todas las reclamaciones que surjan bajo los estatutos enumerados del Código Laboral, independientemente de la teoría de recuperación alegada. Se entiende que los Miembros de la Demanda Colectiva de la PAGA no tendrán la oportunidad de optar por no participar u objetar las Reclamaciones de la PAGA Exoneradas. Además, dichos miembros están obligados por las Reclamaciones de la PAGA Exoneradas, independientemente de si cobran o negocian de otro modo su Pago Individual de la PAGA.

4. ¿CÓMO CALCULARÁ EL ADMINISTRADOR MI PAGO?

1. Cálculo de los Pagos Individuales de la Demanda Colectiva. El Administrador determinará los Pagos Individuales de la Demanda Colectiva dividiendo el número total de Semanas Laborales Calificadas (incluyendo un multiplicador para los Miembros del Colectivo separados, como se detalla más adelante) trabajadas durante el Período de la Demanda Colectiva en el Fondo del Acuerdo del Colectivo. Esto resultará en un valor por Semana Laboral Calificada para cada Miembro del Colectivo del Acuerdo elegible. Específicamente para el Fondo del Acuerdo Colectivo, los Miembros de la Demanda Colectiva que fueron desvinculados del empleo con el Demandado a partir de la fecha de aprobación preliminar tendrán sus Semanas Laborales Calificadas ajustadas al alza, utilizando un multiplicador de 1.2, para reflejar la liberación de reclamaciones bajo las secciones 201-203 del Código Laboral de California. El valor por Semana Laboral Calificada se multiplicará por el número de Semanas Laborales Calificadas trabajadas por cada Miembro del Colectivo del Acuerdo durante el Período de la Demanda Colectiva. Las Semanas Laborales Calificadas Parciales se contarán como completas para estos efectos.
2. 2. Cálculo de los Pagos Individuales de la PAGA. El Administrador calculará los Pagos Individuales de la PAGA dividiendo \$20,000.00 entre el número total de Semanas Laborales Calificadas trabajadas durante el Período del Acuerdo de la PAGA. Este cálculo se hará en relación con el Fondo del Acuerdo de la PAGA para determinar un valor por Semana Laboral Calificada para cada Miembro del Colectivo de la PAGA elegible. El valor por Semana Laboral Calificada obtenido se multiplicará por la cantidad de Semanas Laborales Calificadas trabajadas por cada Miembro del Colectivo de la PAGA durante el Período del Acuerdo de la PAGA. Las Semanas Laborales Calificadas Parciales se contarán como Semanas Laborales Calificadas completas para este propósito.
3. Cálculo de los Pagos Individuales de la FLSA. El Administrador calculará los Pagos Individuales de la FLSA dividiendo el número total de Semanas de Trabajo Calificadas trabajadas durante el Período de la FLSA entre el Fondo de Acuerdo de la FLSA. Esto se hará para determinar un valor por Semana de Trabajo Calificada para cada Miembro Colectivo elegible. Posteriormente, el valor por Semana de Trabajo Calificada obtenido se multiplicará por el número de Semanas de Trabajo Calificadas trabajadas por cada Miembro Colectivo durante el Período de la FLSA. Para este cálculo, las Semanas Laborales Calificadas Parciales se contarán como Semanas Laborales Calificadas completas.
4. Impugnaciones del número de semanas laborales/períodos de pago. El número de Semanas Laborales de Colectivo Calificadas y Semanas Laborales Calificadas de la FLSA que trabajó durante el Período de la Demanda Colectiva y el Período de la FLSA, así como el número de Semanas Laborales de la PAGA Calificadas que trabajó durante el Período de

la PAGA, según consta en los registros de DrinkPAK, se indica en la primera página de esta Notificación. Tiene hasta el _____ para impugnar el número de semanas laborales que se le acreditan. Puede presentar su impugnación enviando una carta firmada al Administrador por correo, correo electrónico o fax. La Sección 9 de esta Notificación contiene la información de contacto del Administrador.

Es importante respaldar su impugnación adjuntando copias de talones de pago u otros registros que respalden su reclamación. El Administrador considerará el cálculo de las semanas laborales de DrinkPAK basado en los registros de la empresa como preciso a menos que usted proporcione copias de registros que contradigan esa información. Es importante destacar que debe enviar copias en lugar de originales, ya que los documentos originales no serán devueltos. El Administrador resolverá las impugnaciones de las Semanas Laborales en función de la documentación presentada y las aportaciones de los Abogados del Colectivo de Demandantes (que representarán a los Miembros Participantes de la Demanda Colectiva, los Miembros Colectivos y los Miembros de la Demanda Colectiva de la PAGA) y los Abogados de DrinkPAK. La decisión final del Administrador será definitiva y no podrá ser apelada ni impugnada.

5. ¿CÓMO ME PAGARÁN?

1. Miembros Participantes de la Demanda Colectiva. El Administrador enviará, por correo postal de los EE. UU., un solo cheque a cada Miembro Participante de la Demanda Colectiva (es decir, a cada Miembro de la Demanda Colectiva que no opte por no participar), incluidos aquellos que también califican como Empleados Afectados. El cheque único combinará el Pago Individual de la Demanda Colectiva y el Pago Individual de la PAGA.
2. Miembros Colectivos: Cada Miembro Colectivo recibirá su parte del Fondo del Acuerdo de la FLSA en un cheque separado de los pagos destinados a los Miembros de la Demanda Colectiva del Acuerdo y a los Miembros de la Demanda Colectiva la PAGA. Como resultado, algunas personas pueden recibir más de un cheque del acuerdo. En los cheques de acuerdo de la FLSA se imprimirá un lenguaje de aceptación y liberación con respecto a la liberación de la reclamación de la FLSA, junto con instrucciones que indicarán que el endoso, cobro o depósito de dicho cheque constituye un consentimiento para unirse a la demanda colectiva bajo la FLSA. El lenguaje que se incluirá será sustancialmente similar al siguiente:

"Al endosar, cobrar o depositar este cheque, otorgo mi consentimiento para unirme a la demanda titulada *Veliz v. DrinkPAK, LLC*, pendiente en el Tribunal Superior del Estado de California para el Condado de Los Ángeles, Caso No. 22STCV37384, de conformidad con las disposiciones de la Ley de Normas Laborales Justas ("FLSA"), 29 U.S.C. Sección 216(b)".

3. Miembros No Participantes de la Demanda Colectiva. El Administrador enviará un único cheque por correo postal de los Estados Unidos a cada Empleado Agraviado que haya optado por no participar en el Acuerdo Colectivo, es decir, a cada Miembro del Colectivo No Participante.

El cheque se enviará a la misma dirección que la presente Notificación. Si cambia su dirección, asegúrese de notificar al Administrador lo antes posible. La Sección 9 de

esta Notificación contiene la información de contacto del Administrador.

6. ¿CÓMO PUEDO OPTAR POR NO PARTICIPAR EN EL ACUERDO COLECTIVO?

Envíe una carta escrita y firmada con su nombre, dirección actual, número de teléfono y una declaración simple de que no desea participar en el Acuerdo. El Administrador lo excluirá en función de cualquier escrito que comunique su solicitud de exclusión. Asegúrese de firmar personalmente su solicitud, identifique la demanda como *Matthew Veliz, et al. v. DrinkPAK, LLC* e incluya su información de identificación (nombre completo, dirección, número de teléfono, fechas aproximadas de empleo y número de seguro social para fines de verificación). Debe hacer la solicitud usted mismo. Si otra persona hace la solicitud por usted, no será válida. **El Administrador debe recibir su solicitud de exclusión el _____, o no será válida.** La Sección 9 del Notificación contiene la información de contacto del Administrador.

7. ¿CÓMO ME OPONGO AL ACUERDO?

Solo los Miembros Participantes de la Demanda Colectiva tienen derecho a objetar el Acuerdo. Antes de decidir si se opone, es posible que desee conocer lo que los Demandantes y DrinkPAK están solicitando al Tribunal que apruebe. Al menos 60 días antes de la Audiencia de Aprobación Final, los Abogados del Colectivo de Demandantes y/o los Demandantes presentarán en el Tribunal lo siguiente: (1) Una Moción de Aprobación Final que incluirá, entre otras cosas, las razones por las cuales consideran que el Acuerdo propuesto es justo, y (2) Una Moción de Honorarios, Gastos de Litigio y Adjudicaciones de Servicios que indicará lo siguiente: (i) El monto que los Abogados del Colectivo de Demandantes están solicitando en concepto de honorarios de abogados y gastos de litigio; y (ii) El monto que los Demandantes solicitan como Adjudicaciones de Servicios Representativos del Colectivo. Si lo desea, puede solicitar copias de estos documentos sin costo alguno para usted a los Abogados del Colectivo de Demandantes, cuya información de contacto se encuentra en la Sección 9 de esta Notificación. También puede consultarlos en el sitio web del administrador _____ o en el sitio web del Tribunal _____.

Un Miembro Participante de la Demanda Colectiva que no esté de acuerdo con cualquier aspecto del Acuerdo, la Moción de Aprobación Final y/o la Moción de Honorarios, Gastos de Litigio y Adjudicación de Servicios puede presentar una objeción por escrito. Esto podría incluir objeciones como que el Acuerdo propuesto es injusto o que los montos solicitados por los Abogados del Colectivo de Demandantes o los Demandantes son excesivos o insuficientes. **La fecha límite para enviar estas objeciones por escrito al Administrador es _____.** Asegúrese de comunicar claramente al Administrador a qué aspecto se opone, las razones de su objeción y cualquier hecho que respalde su posición. Además, es importante que identifique la demanda como "*Matthew Veliz, et al. v. DrinkPAK, LLC*", e incluya su nombre completo, dirección actual, número de teléfono y fechas aproximadas de empleo en DrinkPAK, además de firmar la objeción. Puede encontrar la información de contacto del Administrador en la Sección 9 de esta Notificación.

Como alternativa, un Miembro Participante de la Demanda Colectiva tiene la opción de objetar en persona (o contratar personalmente a un abogado para que lo haga a su propio costo) durante la Audiencia de Aprobación Final. En este caso, usted (o su abogado) debe estar preparado para explicar al Tribunal las razones de su objeción, por qué se opone y proporcionar cualquier evidencia que respalde su objeción. Para obtener detalles sobre la Audiencia de Aprobación

Final, consulte la Sección 8 de esta notificación, que se encuentra a continuación.

8. ¿PUEDO ASISTIR A LA AUDIENCIA DE APROBACIÓN FINAL?

Usted tiene la opción de asistir, aunque no está obligado, a la Audiencia de Aprobación Final programada para el _____ a las _____ en el Departamento 7 del Tribunal Superior de Los Ángeles, que se encuentra en 312 North Spring Street, Los Ángeles, CA 90012. Durante esta Audiencia, el juez tomará la decisión final sobre la aprobación del Acuerdo y determinará la parte correspondiente del Acuerdo Bruto que se destinará a los Abogados del Colectivo de Demandantes, a los Demandantes y al Administrador. El Tribunal dará la oportunidad a los objetores, a los Abogados del Colectivo de Demandantes y a los Abogados Defensores de expresar sus comentarios antes de emitir su veredicto.

Tiene la posibilidad de asistir en persona o de manera virtual a través de LACourtConnect (<https://www.lacourt.org/lacc/>). Le recomendamos consultar el sitio web del Tribunal para obtener la información más actualizada.

Por favor, tenga en cuenta que existe la posibilidad de que el Tribunal cambie la fecha o la hora de la Audiencia de Aprobación Final. Le instamos a que consulte el sitio web del administrador con antelación o se comuniquen con los Abogados del Colectivo de Demandantes para confirmar la fecha y hora exactas de la Audiencia de Aprobación Final.

9. ¿CÓMO PUEDO OBTENER MÁS INFORMACIÓN?

El Acuerdo detalla todas las obligaciones acordadas tanto por DrinkPAK como por los Demandantes en el marco del Acuerdo propuesto. Para una lectura más accesible del Acuerdo, la Sentencia o cualquier otro documento relacionado con el Acuerdo, le recomendamos visitar el siguiente sitio web: _____.

También puede llamar por teléfono o enviar un correo electrónico a los Abogados del Colectivo de Demandantes o al Administrador utilizando la información de contacto que se indica a continuación, o consultar el sitio web del Tribunal Superior yendo a <http://www.lacourt.org/casesummary/ui/index.aspx> e ingresando el Número de Caso de la Demanda, Caso No. 2STCV37384. También puede hacer una cita para revisar personalmente los documentos del tribunal en la Oficina del Secretario del Palacio de Justicia Stanley Mosk llamando al (213) 830-0800.

NO LLAME POR TELÉFONO AL TRIBUNAL SUPERIOR PARA OBTENER INFORMACIÓN SOBRE EL ACUERDO.

Abogados del Colectivo de Demandantes:

Nombre del abogado: John G. Yslas, Jeffrey C. Bils, Aram Boyadjian y Andrew Sandoval

Dirección de correo electrónico: jyslas@wilshirelawfirm.com, jbils@wilshirelawfirm.com, aboyadjian@wilshirelawfirm.com, andrew.sandoval@wilshirelawfirm.com

Nombre de la firma: Wilshire Law Firm, APC

Dirección postal: 3055 Wilshire Boulevard, 12th Floor, Los Angeles, CA 90010

Teléfono: (213) 381-9988

Administrador del Acuerdo:

Nombre de la empresa: ILYM Group, Inc.

Dirección de correo electrónico: claims@ilymgroup.com
Dirección postal: P.O. Box 2031, Tustin, CA 92781
Teléfono: (888) 250-6810
Número de fax: (888) 845-6185

10. ¿QUÉ PASA SI PIERDO MI CHEQUE DEL ACUERDO?

Si llega a perder o extraviar su cheque del acuerdo antes de cobrarlo, el Administrador emitirá un cheque de reemplazo siempre y cuando usted solicite dicho reemplazo antes de la fecha de nulidad indicada en el anverso del cheque original. Si su cheque ya ha sido declarado nulo, deberá ponerse en contacto con el Fondo de Propiedad No Reclamada para obtener instrucciones sobre cómo recuperar los fondos correspondientes a su Pago Individual del Acuerdo y Pago Individual de la PAGA. Por favor, tenga en cuenta que no habrá forma de recuperar ningún cheque que no haya sido cobrado y que haya sido anulado en relación con el Fondo del Acuerdo de la FLSA.

11. ¿QUÉ PASA SI CAMBIO MI DIRECCIÓN?

Para recibir su cheque, debe notificar inmediatamente al Administrador si se muda o cambia su dirección postal.