CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff XAVIER LAMATEZE CARPENTER ("Plaintiff"), Defendant CLIPPER CORPORATION ("Defendant CLIPPER CORPORATION"), and Defendant TRINET HR II, INC. ("Defendant TRINET") (collectively, "Defendants"). The Agreement refers to Plaintiff and Defendants collectively as "Parties," or individually as "Party".

1. DEFINITIONS

1.1 "Action" means Plaintiff's lawsuits alleging wage and hour violations against Defendants, of which are two related actions entitled *Xavier L. Carpenter v. Clipper Corp., et al.*, Superior Court of California, County of Los Angeles, Case No. 23STCV03647 and Case No. 23STCV10609.

1.2 "Administrator" means Phoenix Settlement Administrators the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4 "Aggrieved Employee" means all persons who worked for Defendant Clipper Corporation as non-exempt, hourly paid employees in the State of California at any time during the PAGA Period.

1.5 "Class" means all persons who worked for Defendant Clipper Corporation as non-exempt, hourly paid employees in the State of California at any time during the Class Period.

1.6 "Class Counsel" means E&L, LLP.

1.7 "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.8 "Class Data" means Class Member identifying information in Defendant CLIPPER CORPORATION's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Period

1.9 "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11 "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12 "Class Representative" means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.13 "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

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

1.15 "Defendants" means Defendant CLIPPER CORPORATION and Defendant TRINET.

1.16 "Defense Counsel" means Landegger Verano & Davis, ALC on behalf of Defendant CLIPPER CORPORATION, and FISHER & PHILLIPS LLP, on behalf of Defendant TRINET.

1.17 "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

1.19 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.20 "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.21 "Gross Settlement Amount" means $125,000.00 which is the total amount Defendant CLIPPER CORPORATION agrees to pay under the Settlement except as provided in Paragraph 8 below, and not including the employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.

1.22 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.23 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.

1.24 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code §2699, subd. (i).

1.25 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code §2699, subd. (i).

1.26 "Judgment" means the judgment entered by the Court based upon the Final Approval.

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

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

1.29 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant CLIPPER CORPORATION within the State of California as a non-exempt, hourly paid employee for at least one day, during the PAGA Period.

1.30 "PAGA" means the Private Attorneys General Act (Labor Code §2698. et seq.).

1.31 "PAGA Notice" means Plaintiff's February 27, 2023 letter (and any amendments or supplements thereto) to Defendants and the LWDA providing notice pursuant to Labor Code §2699.3, subd.(a).

1.32 "PAGA Penalties" means the total amount of PAGA civil penalties ($10,000.00) to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($2,500.00) and the 75% to the LWDA ($7,500.00) in settlement of PAGA claims.

1.33 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.34 "Plaintiff" means Xavier Lamateze Carpenter, the named plaintiff in the Action.

1.35 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.36 "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement to be mutually agreed upon by the Parties prior to Plaintiff's presentation of the same to Court.

1.37 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.38 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.39 "Released Parties" means: Defendants and their respective parents, subsidiaries and related entities, and each of their respective officers, directors, shareholders, members, persons, employees, agents, servants, representatives, attorneys, insurers, re-insurers, assigns, and affiliates and any and all other entities with whom they have been, are now, or may hereafter be affiliated, specifically including but not limited to TriNet Group, Inc., and any of their affiliated companies, predecessors, successors and assigns, as well as their past or present officers, directors, agents, representatives, attorneys, insurers, re-insurers, assigns, or employees.

1.40 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.41 "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.42 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.43 "Workweek" means any week during which a Class Member worked for Defendant CLIPPER CORPORATION within the State of California as a non-exempt, hourly paid employee for at least one day, during the Class Period.

1.44 "Class Period" means the period beginning February 17, 2019, and continuing through and including December 4, 2023.

1.45 "PAGA Period" means the period beginning February 27, 2022, and continuing through December 4, 2023.

2. RECITALS

2.1 On February 17, 2023, Plaintiff commenced this Action by filing a Complaint (the "Complaint") alleging causes of action against Defendants for (1) failure to pay wages for all hours of work at the legal minimum wage rate in in violation of Labor Code §§1194 and 1197; (2) failure to pay proper overtime wages for daily overtime worked, all hours worked, and failure to include additional remuneration when calculating overtime wages in violation of Labor Code §§510, 1194, and 1198; (3) failure to authorize or permit meal periods in violations Labor Code §§512 and 226.7; (4) failure to authorize or permit rest periods in violation of Labor Code §226.7; (5) failure to pay all accrued and vested vacation/paid time off wages in violation of Labor Code §227.3; (6) failure to provide sick pay in violation of Labor Code §246; (7) failure to indemnify employees for employment-related losses and expenditures in violation of Labor Code §2802; (8) failure to timely pay earned wages during employment in violation of Labor Code §204; (9) failure to timely pay all earned wages and final paychecks due at time of separation of employment in violation of Labor Code §§201, 202, and 203; (10) failure to provide complete and accurate wage statements in violation of Labor Code §226; and (11) unfair business practices, in violation of Business and Professions Code §17200, et seq. The Complaint is the operative complaint in the Action (the "Operative Complaint"). Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.

On May 11, 2023, Plaintiff filed a Complaint for Damages and Restitution for Civil Penalties Pursuant to the Private Attorneys General Act of 2004, under Case Number 23STCV10609, filed in the Superior Court of California, County of Los Angeles (the "PAGA Action"). Both the Operative Complaint and PAGA Action are related, and both complaints are defined as the Action.

2.2 On October 4, 2023, the Parties participated in an all-day mediation presided over by Gig Kyriacou, Esq., which led to this Agreement to settle the Action.

2.3 Pursuant to Labor Code §2699.3, subd. (a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

2.4 Prior to mediation, Plaintiff obtained through informal discovery, including a sampling of time and pay data from Defendant CLIPPER CORPORATION, Plaintiff's time and payroll records, information related to class size and composition, as well as Defendant CLIPPER CORPORATION's written wage and hour policies and practices. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5 The Court has not granted class certification.

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

3. <u>MONETARY TERMS</u>

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant CLIPPER CORPORATION promises to pay $125,000.00 and no more as the Gross Settlement Amount pursuant to Paragraph 4.3 below, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant CLIPPER CORPORATION has no obligation to pay any portion of the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than $5,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be $41,000.00 and a Class Counsel Litigation Expenses Payment of not more than $10,000.00. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed $12,000.00 except for a showing of good cause and as approved by the Court. To the extent the

Administration Expenses are less or the Court approves payment less than $12,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. Notwithstanding the treatment of the payments to each Participating Class Member, none of the payments called for in this Agreement, including the Wage Portions of the Individual Class Payments, are to be treated as earnings, wages, pay or compensation for the purposes of any applicable benefit or retirement plan, nor do any payment under this Agreement extend or alter Class Members' or Aggrieved Employees' period of employment for any purposes.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $10,000.00 are to be paid from the Gross Settlement Amount, with 75% ($7,500.00) allocated to the LWDA PAGA Payment and 25% ($2,500.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($2,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. 100% of the PAGA Penalties are allocated as penalties and not as wages. The Administrator will report the Individual PAGA Payments on IRS1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant CLIPPER CORPORATION estimates there are 29 Class Members who collectively worked a total of 2,957 Workweeks, and 11 Aggrieved Employees who worked a total of 439 PAGA Pay Periods as of October 4, 2023 (i.e., as of the date the Parties participated in mediation).

4.2 Class Data. Not later than 15 business days after the Court grants Preliminary Approval of the Settlement, Defendant CLIPPER CORPORATION will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant CLIPPER CORPORATION has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant CLIPPER CORPORATION must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Within forty-five (45) business days of final approval by the Court, Defendant CLIPPER CORPORATION will deposit money, in an amount equal to the Gross Settlement Amount and the employer's share of payroll taxes owed on the Wage Portions of the Individual Class Payments, to pay (1) the Class Members per the terms of the final settlement agreement, (2) court approved Attorneys' Fees and Costs, Settlement Administration Expenses, and the Service Award, and (3) the PAGA Settlement Amount to be paid to the LWDA and the Aggrieved Employees into an interest-bearing account, through the Settlement Administrator. Any interest accrued will be distributed to the Class Members except that if final approval is reversed on appeal, then Defendant CLIPPER CORPORATION is entitled to prompt return of the principal and all interest accrued. Defendant CLIPPER CORPORATION 's payment obligations with respect to the Gross Settlement Amount and the employer's share of payroll taxes shall be met upon initiating the electronic transfer of funds in the amounts provided for in this Settlement Agreement pursuant to the Settlement Administrator's instructions. In the event of an unsuccessful electronic transfer of funds, the Parties agree to cooperate in good faith to resolve the issues.

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

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

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

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure §384, subd. (b).

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

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

<u>Plaintiff's Release</u>. In addition to the Release Class Claims and Released PAGA Claims described below, Plaintiff, individually and on behalf of his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, occurrences, demands, rights, liabilities and causes of action of every nature and description whatsoever, whether known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule, law or regulation arising out of, relating to, or in connection with any act or omission of the Released Parties through the date of full execution of this Settlement Agreement in connection with his or her employment or the termination thereof, including, but not limited to: (a) all claims that were or reasonably could have been alleged based on the facts

contained in the operative complaint in the Action and (b) all PAGA claims that were or reasonably could have been alleged based on facts contained in the operative complaint in the Action, Plaintiffs' PAGA Notice, or ascertained during the Action and released under 5.2 and 5.3 below ("Plaintiffs' Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to those rights that as a matter of law cannot be waived, including, but not limited to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1

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

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

5.2 Released Class Claims by Participating Class Members: All Participating Class Members, including Plaintiff, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from any and all claims, both potential and actual, that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, without limitation with respect to all of the following claims: all class claims, meal or rest and recovery period claims, meal or rest and recovery premium claims; unpaid regular, overtime, and/or minimum wage claims, including but not limited to claims for failing to properly calculate the regular rate of pay for purposes of paying overtime, impermissible and/or detrimental rounding, automatic meal period deductions, failure to include bonus pay when calculating the regular rate, failure to pay meal and rest period premium payments, failure to authorize and permit all meal breaks and rest breaks, failure to pay accrued vacation, failure to pay sick pay at the proper rate, failure to pay all minimum and overtime wages for hours worked, failure to indemnify employees for all necessary business expenditures, failure to pay all wages due twice monthly, failure to pay all wages due upon termination and separation of employment, failure to provide accurate and itemized wage statements, unfair competition based on the foregoing, unlawful business practices based on the foregoing, fraudulent business practices based on the foregoing, waiting time penalties based on the foregoing, statutory penalties based on the foregoing; violation of or claims under the California Labor Code, California Business and Professions Code, or the California Industrial Wage Orders that could have been premised on the facts, claims, causes of action or legal theories described above, and all that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the Operative Complaints; any other claims or penalties under the wage and hour laws pleaded in the Action; and all damages, statutory penalties, interest, fees, costs and other amounts recoverable under said claims, causes of action or legal theories of relief. ("Released Class Claims") Except as set forth in Section 5.3 *et seq.* of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Released PAGA Claims Aggrieved Employees: All Aggrieved Employees, including Plaintiff, regardless of whether they are Participating Class Members or Non-Participating Class Members, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, demands, rights, liabilities and causes of action under the California Labor Code Private Attorneys General Action that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action, including without limitation, claims for PAGA penalties pursuant to Labor Code §§210, 226.3, 558, 1197.1, and 2699 in connection with alleged meal or rest and recovery period claims, meal or rest and recovery premium claims; unpaid regular, overtime, and/or minimum wage claims, including but not limited to claims for failing to properly calculate the regular rate of pay for purposes of paying overtime, impermissible and/or detrimental rounding, automatic meal period deductions, failure to include bonus pay when calculating the regular rate, failure to pay meal and rest period premium payments, failure to authorize and permit all meal breaks and rest breaks, failure to pay accrued vacation, failure to pay sick pay at the proper rate, failure to pay all minimum and overtime wages for hours worked, failure to indemnify employees for all necessary business expenditures, failure to pay all wages due twice monthly, failure to pay all wages due upon termination and separation of employment, failure to provide accurate and itemized wage statements violations, civil penalties based on the foregoing, interest, fees, costs, and any other claims that may have been raised in Plaintiff's Operative Complaint and/or the PAGA Notice. ("Released PAGA Claims"). The foregoing releases shall be binding on Plaintiff, the Aggrieved Employees, and the State of California, and shall entitle Defendants to bar by *res judicata* any claim under the PAGA brough by any person, including the Aggrieved Employees, on behalf of the State of California, as to any claims predicated on the Released PAGA Claims. To the extent any aggrieved employee attempts to assert or asserts any individual PAGA claims for purported violations during the PAGA period, all such claims are deemed to be foreclosed by this Agreement.

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

6.1 Disclosure of Conflict, If Any. Defendants and Defense Counsel are not aware of any potential conflicts of interest with the Administrator. Defendants and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

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

6.3 Responsibilities of Counsel. No later than 90 days after the full execution of this Agreement, or upon such other date determined by the Court, Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator. If it is not possible to schedule a hearing on preliminary approval of the Settlement within ninety (90) calendar days of the date of this Agreement, the Parties agree to schedule that hearing at the first available date thereafter. The Parties agree that Plaintiff's motion for preliminary approval will seek, *inter alia,* certification of a class, and that this certification is for purposes of the Settlement only. If, for any reason, the Settlement is not approved, the stipulation to certification will have no force or effect. The Parties further agree that certification for purposes of the Settlement is in no way an admission that class certification is proper under the standard applied to contested certification motions and that this Settlement will not be admissible in this or any other proceeding as evidence that (i) a class should be certified as Plaintiff proposed or (ii) Defendants are liable to Plaintiff or the Class as Plaintiff alleged in the Action; and/or (iii) that Plaintiff and his counsel will not argue waiver of any rights to compel individual arbitration, to strike the putative class claims, and to stay the Action pending individual arbitration.

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

7. SETTLEMENT ADMINISTRATION

7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses, including without limitation, calculating the Individual Class Payments to be issued to Participating Class Members, Individual PAGA Payments to be issued to Aggrieved Employees, sending notices and translating same to Spanish, preparing all checks and mailings, establishing a qualified settlement fund and holding the various payments from Defendant CLIPPER CORPORATION comprising the Gross Settlement Amount and employer payroll taxes. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number and Tax Reporting. The Administrator shall have and use its own Employer Identification Number for the purposes of calculating payroll tax withholdings and providing reports to the state and federal tax authorities. The Administrator will be responsible for calculating the applicable taxes and withholdings, including the employer payroll taxes owed on the Individual Class Payments, and for paying all taxes and withholdings to the applicable taxing or governmental authorities with the necessary reports, and submitting copies to Defense Counsel. The Administrator shall issue Participating Class Members IRS Form W-2 for the Wage Portions of the Individual Class Payments, IRS Form 1099 for the Non-Wage Portions, and IRS Form 1099 to Aggrieved Employees for Individual PAGA Payments, as described in this Agreement.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation §468B-1.

7.4 Notice to Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing

Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraph 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are barred from pursuing PAGA Penalties in accordance with Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); and (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion.

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

8. <u>CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE</u>. Based on its records, Defendant CLIPPER CORPORATION estimates that, as of as of October 4, 2023 (i.e., as of the date the Parties participated in mediation), (1) there are 29 Class Members and 2,957 Total Workweeks during the Class period, and (2) there were 11 Aggrieved Employees who worked 439 Pay Periods during the PAGA Period. Defendant CLIPPER CORPORATION estimates there are approximately 2,957 workweeks as of October 4, 2023 associated with the Action and this estimate serves as the basis for Plaintiff accepting the settlement. If the actual number of workweeks worked during the Class Period by Class Members eligible to participate in the Settlement is greater than 10% of this estimate (i.e., greater than 3,253), then Defendant CLIPPER CORPORATION has the option to either: (1) agree to increase the Gross Settlement Amount on a proportional basis above 10% (i.e., if there is an 11 % increase in the number of workweeks during the Class Period, Defendant CLIPPER CORPORATION would agree to increase the Gross Settlement Amount by 1%); or (2) elect to end the Class Period and PAGA Period on an earlier date at Defendant CLIPPER CORPORATION's discretion in order to limit the covered workweeks to 10% more than the estimate provided in lieu of paying an increase to the Gross Settlement Amount.

9. <u>DEFENDANTS' RIGHT TO WITHDRAW</u>. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 20% of the total of all Class Members, Defendants may, but are not obligated to, withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant CLIPPER CORPORATION will remain responsible for paying all Settlement Administration Expenses incurred to that point. The option to withdraw and void this Agreement pursuant to this Paragraph 9 shall be at Defendant CLIPPER CORPORATION's sole discretion. Defendants must notify Class Counsel and the Court of its selection to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. All signatories and their counsel must not encourage opt-outs. Counsel for the Class Members and Defendants specifically agree not to solicit opt-outs, directly or indirectly, through any means.

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

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

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

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

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

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

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

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Action have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, including but not limited to all available procedural and substantive defenses, including a motion to compel individual arbitration of Plaintiff's individual claims and individual PAGA claims, to strike the putative class claims, and to stay the PAGA representative claims, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

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

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the

Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party, specifically including the Memorandum of Agreement negotiated during and following mediation.

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

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

12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

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

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

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

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

12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant CLIPPER CORPORATION unless, prior to the Court's discharge of the Administrator's obligation, Defendant CLIPPER CORPORATION make a written request to Class Counsel for the return, rather than the destructions, of Class Data.

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

12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

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12.17 Notice. All notices, demands or other communication between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: David Lavi, Esq.
Email: dlavi@ebralavi.com
Arie Ebrahimian, Esq.
Email: arie@ebralavi.com
E&L, LLP
8889 W. Olympic Blvd., 2nd Floor
Beverly Hills, California 90211
Telephone: (213) 213-0000
Facsimile: (213) 213-0025

To Defendant, CLIPPER CORPORATION, a California corporation

Alfred Landegger, Esq. (State Bar No. 84419)
Email: alfred@landeggeresq.com
Luiza Manuelian, Esq. (State Bar No. 233154)
Email: luiza@landeggeresq.com
LANDEGGER VERANO & DAVIS, ALC
15760 Ventura Blvd., Suite 1200
Encino, California 91436
Telephone: (818) 986-7561
Facsimile: (818) 986-5147

To Defendant, TriNet HR II, Inc., a Delaware corporation

Christopher J. Boman, Esq. (State Bar No. 198798)
Email: cboman@fisherphillips.com
Anderw S. Wellman, Esq. (State Bar No. 318470)
Email: awellman@fisherphillips.com
FISHER & PHILLIPS LLP
2050 Main Street, Suite 1000
Irvine, California 92614
Telephone: (949) 851-2424
Facsimile: (949) 851-0152

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

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

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Plaintiff

DocuSigned by:
Xavier Carpenter
4A2205E9DE29483...
Xavier Lamateze Carpenter

Dated: 6/13/2024

Counsel for Plaintiff, the Class, and the Aggrieved Employees
E&L, LLP

DocuSigned by:
David Lavi
86C1FAEB08364FF...
David Lavi, Esq.

Dated: 6/13/2024

Defendant, Clipper Corporation

DocuSigned by:
CEE6E93D9BB242B...
Clipper Corporation

Printed Name: Lina Hu

Dated: 6/10/2024

Counsel for Defendant, Clipper Corporation
Landegger Verano & Davis, ALC

Luiza Manuelian, Esq.

Dated: 6/10/24

Defendant, TriNet HR II, Inc.

Ian K Naramore
Digitally signed by Ian K Naramore
Date: 2024.05.15 13:01:52 -04'00'
TriNet HR II, Inc.

Printed Name:

Dated:

Counsel for Defendant, TriNet HR II, Inc.
Fisher & Phillips LLP

Chris Boman, Esq.

Dated: 5/15/2024