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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA**

VERONICA CRUZ, individually, and on
behalf of all others similarly situated,

Plaintiff,

vs.

KNIGHTSBRIDGE PLASTICS, INC., a
California corporation; and DOES 1 through
10, inclusive,

Defendants

Case No.: 23CV028294

CLASS AND REPRESENTATIVE ACTION

*[Assigned for all purposes to Hon. Michael
Markman, Dept. 23]*

**AMENDED CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND CLASS
NOTICE**

Action Filed: February 22, 2023
FAC Filed: June 20, 2023
Trial Date: Not set

1 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE**

2 This Amended Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
3 between Plaintiff Veronica Cruz (“Plaintiff”) and Defendant Knightsbridge Plastics, Inc. (“Defendant”).
4 The Agreement refers to Plaintiff and Defendant collectively as the “Parties,” or each individually as a
5 “Party.”

6 **1. DEFINITIONS**

7 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant
8 captioned as *Veronica Cruz v. Knightsbridge Plastics, Inc.* (Case No. 23CV028294),
9 initiated on February 22, 2023, and pending in the Superior Court of the State of California
10 for the County of Alameda.

11 1.2. “Administrator” means Phoenix Settlement Administrators (“Phoenix”) the neutral entity
12 the Parties have agreed to appoint to administer the Settlement following a competitive
13 bidding process, or such other settlement administrator as may be mutually agreeable to the
14 Parties and approved by the Court.

15 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid
16 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
17 accordance with the Administrator’s \$9,000.00 “flat fee total” bid submitted to the Court in
18 connection with Preliminary Approval of the Settlement.

19 1.4. “Aggrieved Employee” means Plaintiff and all persons who worked for Defendant in
20 California as an hourly, non-exempt employee at any time during the PAGA Period (as
21 defined below).

22 1.5. “Class” means Plaintiff and all persons who worked for Defendant in California as an
23 hourly, non-exempt employee at any time during the Class Period (as defined below).

24 1.6. “Class Counsel” means Kane Moon, Allen Feghali, and Charlotte Mikat-Stevens of Moon
25 Law Group, PC.

26 1.7. “Class Counsel Fees Payment” and “Class Counsel Costs Payment” mean the amounts
27 allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses,
28 respectively, incurred to prosecute the Action.

- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession, including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “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 and PAGA Settlement and Hearing Date for Final Court Approval, to be mailed by the Administrator to Class Members in English and in a Spanish translation of the Class Notice, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12. “Class Period” means February 19, 2019, through May 5, 2024.
- 1.13. “Class Representative” means the Plaintiff as named in the Operative Complaint filed in this Action, subject to the Court’s approval.
- 1.14. “Class Representative Service Payment” means the payment, subject to the Court’s approval, to Plaintiff for initiating and providing services in support of the Action, in recognition for the risks attendant to the role as named Plaintiff and Class Representative, and in exchange for Plaintiff’s General Release. This award shall be in addition to the amount Plaintiff is eligible to receive as a Class Member.
- 1.15. “Court” means the Superior Court of California, County of Alameda.
- 1.16. “Defendant” means Knightsbridge Plastics, Inc., the named defendant in the Action.
- 1.17. “Defense Counsel” means the attorneys of Simpson, Garrity, Innes & Jacuzzi, P.C.
- 1.18. “Effective Date” means the first business date after both of the following have occurred: (a) the Court enters a Judgment upon the Final Approval Order; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if no

Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) 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 (i.e., 61 calendar days following entry of Judgment); or (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. In this regard, it is the intention of the Parties that the Settlement shall not become effective until the Court's order approving the Settlement is completely final, and there is no further recourse by an appellant or objector who seeks to contest the Settlement.

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

1.20. "Final Approval Hearing" means the Court's hearing on the motion for final approval of the Settlement.

1.21. "Final Judgment" means the Judgment entered by the Court upon the Final Approval Order.

1.22. "Gross Settlement Amount" means \$700,000.00, which is the total amount Defendant agrees to resolve the class and PAGA claims in the Action, subject to potential increase under the escalator clause, if applicable. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees and Costs Payments, the Class Representative Service Payment, and the Administration Expenses Payment. Separate and apart from the Gross Settlement Amount, Defendant agrees to pay its employer-share of payroll taxes owed on the Wage Portion of Individual Class Payments.

1.23. "Individual Class Payment" means a Participating Class Member's *pro rata* share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period as compared to number of Workweeks worked by other Participating Class Members during the Class Period, in settlement of the Released Class Claims.

1.24. "Individual PAGA Payment" means an Aggrieved Employee's *pro rata* share of twenty-five percent (25%) of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period as compared to number of PAGA Pay

Periods worked by other Aggrieved Employees during the PAGA Period, in settlement of the Released PAGA Claims.

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

1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled to seventy-five percent (75%) of the PAGA Penalties pursuant to Labor Code § 2699(i).

1.27. “LWDA PAGA Payment” means the seventy-five percent (75%) of the PAGA Penalties paid to the LWDA pursuant to Labor Code § 2699(i).

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

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

1.30. “Operative Complaint” means Plaintiff’s First Amended Class and Representative Action Complaint, filed on June 20, 2023.

1.31. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.32. “PAGA Period” means February 19, 2022, through May 5, 2024.

1.33. “PAGA” means the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).

1.34. “PAGA Notice” means Plaintiff’s February 19, 2023, letter to the LWDA providing notice of alleged Labor Code violations, served on Defendant via certified mail, pursuant to Labor Code § 2699.3(a).

1.35. “PAGA Penalties” means the total amount of PAGA civil penalties (\$60,000.00) to be paid from the Gross Settlement Amount, allocated twenty-five percent (25%) to the

Aggrieved Employees (\$15,000.00) and the seventy-five percent (75%) to LWDA (\$45,000.00) in settlement of the Released PAGA Claims.

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

1.37. “Plaintiff” means Veronica Cruz, the named plaintiff in the Action.

1.38. “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.

1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.41. “Released Parties” means: Defendant, and all present and former parent companies, subsidiaries, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, and successors and assigns of Defendant, and any individual or entity which could be jointly liable with Defendant and its respective present and former parent companies, subsidiaries, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, and successors and assigns.

1.42. “Request for Exclusion” means a Class Member’s submission to the Administrator of a signed, written request to be excluded from the Class portion of the Settlement. Class Members cannot request exclusion from the PAGA portion of the Settlement.

1.43. “Response Deadline” means sixty (60) calendar days after the Administrator mails the Class Notice to Class Members and shall be the last date on which Class Members may fax, email, or mail any (a) Requests for Exclusion from the Settlement, (b) written Objections to the Settlement, or (c) challenges to the calculation of Workweeks and/or PAGA Pay Periods. Class Members to whom their initial Class Notice is resent after having been returned as undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline.

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

Judgment.

1.45. “Workweek” means any week during which a Participating Class Member worked for Defendant for at least one day during the Class Period.

2. **RECITALS**

2.1. On February 22, 2023, Plaintiff commenced this Action by filing a Class Action Complaint against Defendant. On June 20, 2023, Plaintiff filed a First Amended Class and Representative Action Complaint (the “FAC” or “Operative Complaint”). The FAC alleges the following causes of action against Defendant: (1) Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197]; (2) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198]; (3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code § 226.7]; (5) Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802]; (6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; (8) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, *et seq.*]; and (9) Civil Penalties under PAGA [Cal. Lab. Code §§ 2698, *et seq.*]. The Parties agree the FAC is the operative complaint in the Action (the “Operative Complaint”).

2.2. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the claims alleged in the Operative Complaint, and Defendant further denies that, for any purpose other than settling this lawsuit, the Action is appropriate for class or representative treatment. With respect to Plaintiff’s claims, Defendant contends, among other things, that Plaintiff and the Class Members have been provided legally compliant meal periods, have been provided legally compliant paid rest periods, have been paid proper minimum, regular rate and overtime wages, have been timely paid final wages upon separation of employment, have been timely paid throughout employment, have been reimbursed for business expenses, and have been provided with accurate itemized wage statements. Defendant contends, among other things, that it has complied at all times with the California Labor Code and the applicable Wage Orders of the Industrial Welfare

Commission, and all other applicable laws. Furthermore, with respect to all claims, Defendant contends that it has not engaged in unlawful or unfair business practices and has not violated California Business and Professions Code sections 17200, *et. seq.*

2.3. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant and the LWDA of the allegations in the Action via Plaintiff's PAGA Notice. On February 2, 2024, the Parties participated in an all-day mediation with Tripper Ortman, Esq., an experienced and neutral class and PAGA action mediator, which led to this Agreement to settle the Action. Prior to mediation, Plaintiff obtained from Defendant, through informal, but extensive, discovery, information sufficient to meaningfully evaluate the claims at issue in the Action, including applicable written documents regarding Defendant's wage and hour policies and practices in effect during the relevant period, Plaintiff's personnel file, and a randomized sample of time and corresponding payroll records for roughly twenty percent (20%) of Class Members and Aggrieved Employees. 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*"). As part of this evaluation, Class Counsel has conducted a thorough investigation into the facts of the Operative Complaint, including an extensive review and assessment of relevant documents and sampling data, and has diligently pursued an investigation of the claims of the Settlement Class against Defendant. Based on its own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement with Defendant for the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate and is in the best interest of the Class in light of all known facts and circumstances, including the risk of significant delay, the risk the Class will not be certified by the Court, the strength of the defenses asserted by Defendant, and numerous potential appellate issues. Defendant and Defense Counsel also agree that the Settlement is fair and in the best interest of the Class, including those Class Members who worked for Defendant in California during the PAGA Period.

1 2.4. The Court has not granted class certification.

2 2.5. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any
3 other pending matter or action asserting claims that will be extinguished or affected by the
4 Settlement.

5 **3. MONETARY TERMS**

6 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below and subject
7 to a potential increase under the escalator clause, if applicable, Defendant promises to pay
8 \$700,000.00 and no more as the Gross Settlement Amount and to separately pay all
9 employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments.
10 The Administrator shall provide Defendant with the total amount of employer payroll taxes
11 owed on the Individual Class Payments (as further described below). Defendant has no
12 obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline
13 stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross
14 Settlement Amount without asking or requiring Participating Class Members and/or
15 Aggrieved Employees to submit any claim as a condition of payment. None of the Gross
16 Settlement Amount will revert to Defendant.

17 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the
18 following payments from the Gross Settlement Amount, in the amounts specified by the
19 Court in the Final Approval Order:

20 3.2.1. To Plaintiff. Class Representative Service Payment to Plaintiff as the Class
21 Representative of not more than \$7,500.00, in addition to any Individual Class
22 and/or PAGA Payments that Plaintiff is entitled to receive as a Class Member. As
23 part of the motion for Class Counsel Fees and Costs Payments, Plaintiff will seek
24 Court approval for any Class Representative Service Payments no later than sixteen
25 (16) court days prior to the Final Approval Hearing. If the Court approves a Class
26 Representative Service Payment less than the amount requested, the Administrator
27 will allocate the remainder to the Net Settlement Amount. The Administrator will
28 pay the Class Representative Service Payment using IRS Form 1099. Plaintiff

assumes full responsibility and liability for any taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel. A Class Counsel Fees Payment of not more than thirty-three and one-third percent (33.33%) of the Gross Settlement Amount, which is currently estimated to be \$233,333.33, and a Class Counsel Costs Payment of not more than \$25,000.00. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees and Costs Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Costs 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 of any Class Counsel Fee Payment and/or Class Counsel Costs Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Costs Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for any taxes owed on the Class Counsel Fees and Costs Payments, and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3. To the Administrator. An Administration Expenses Payment not to exceed \$9,000.00 except for a showing of good cause and as approved by the Court. To the extent actual expenses are less and/or the Court approves payment less than the requested amount, the Administrator will allocate the remainder to 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 the number of Workweeks worked by each individual Participating Class Member.

1 3.2.4.1. Tax Allocation of Individual Class Payments. Twenty percent (20%) of
2 each Participating Class Member's Individual Class Payment will be
3 allocated to settlement of wage claims (the "Wage Portion"). The Wage
4 Portion is subject to tax withholding and will be reported on IRS W-2
5 Forms by the Administrator. The remaining eighty percent (80%) of each
6 Participating Class Member's Individual Class Payment will be allocated
7 to settlement of claims for penalties and interest (the "Non-Wage Portion").
8 The Non-Wage Portion is not subject to withholdings and will be reported
9 on IRS 1099 Forms by the Administrator. Participating Class Members
10 assume full responsibility and liability for any employee taxes owed on
11 their Individual Class Payment.

12 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual
13 Class Payments. Non-Participating Class Members will not receive any
14 Individual Class Payments. The Administrator will retain amounts equal to
15 their Individual Class Payments in the Net Settlement Amount for
16 distribution to Participating Class Members on a *pro rata* basis.

17 3.2.5. To the LWDA and Aggrieved Employees. PAGA Penalties in the total amount of
18 \$60,000.00 to be paid from the Gross Settlement Amount, will be distributed as
19 seventy-five percent (75%) (\$45,000.00) to the LWDA through the LWDA PAGA
20 Payment and as twenty-five percent (25%) (\$15,000.00) to Aggrieved Employees
21 through Individual PAGA Payments.

22 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a)
23 dividing the amount of the Aggrieved Employees' twenty-five percent
24 (25%) share of PAGA Penalties (\$15,000.00) by the total number of
25 PAGA Pay Periods worked by all Aggrieved Employees during the PAGA
26 Period and (b) multiplying the result by the number of PAGA Pay Periods
27 worked by each individual Aggrieved Employee. Individual PAGA
28 Payments will be treated as one hundred percent (100%) penalties for tax

purposes. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. Individual PAGA Payments are not subject to withholdings and will be reported on IRS 1099 Forms by the Administrator.

3.2.5.2. If the Court approves an amount for PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Class and PAGA Estimates. Based on a review of Defendant's records as of mediation, it was estimated that as of February 2, 2024, there were 327 Class Members who collectively worked 23,144 Workweeks, and 204 Aggrieved Employees who records worked 5,112 PAGA Pay Periods.

4.2. Class Data. Not later than fourteen (14) calendar days after the Court grants Preliminary Approval, Defendant will deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator will 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 employees of the Administrator who need access to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their respective counsel will expeditiously use best efforts, and in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay its employer-share of payroll taxes owed on the Wage Portion of Individual Class Payments, by transmitting the funds to the Administrator within thirty (30)

1 calendar days of the Effective Date. The Administrator shall provide Defendant
2 with the total amount of employer payroll taxes owed on the Individual Class
3 Payments and wiring and/or mailing instructions within five (5) calendar days of the
4 Effective Date of the Settlement.

5 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after
6 Defendant fully funds the amounts owed under the Settlement, the Administrator will mail
7 checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA
8 PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment,
9 the Class Counsel Costs Payment, and the Class Representative Service Payment.
10 Disbursement of the Class Counsel Fees Payment, the Class Counsel Costs Payment, and
11 the Class Representative Service Payment shall not precede disbursement of Individual
12 Class Payments and Individual PAGA Payments.

13 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
14 Individual PAGA Payments and send them via First Class United States Postal
15 Service (“USPS”) Mail, postage prepaid. The face of each check shall
16 prominently state the date (not less than 180 days after the date of mailing) when
17 the check will be voided (the “Void Date”). The Administrator will cancel all
18 checks not cashed by the Void Date. The Administrator will send checks for
19 Individual Class Payments to all Participating Class Members and checks for
20 Individual PAGA Payments to all Aggrieved Employees (including Non-
21 Participating Class Members who qualify as Aggrieved Employees), including to
22 those for whom their Class Notice was returned undelivered. The Administrator
23 may send Participating Class Members a single check combining their Individual
24 Class and PAGA Payments, if applicable. Before mailing any checks, the
25 Administrator must update recipients’ mailing addresses using the National
26 Change of Address Database.

27 4.4.2. The Administrator must conduct a Class Member Address Search for all Class
28 Members whose checks are returned undelivered without a USPS forwarding

1 address. Within seven (7) calendar days of receiving a returned check, the
2 Administrator must re-mail checks to the USPS forwarding address provided or, if
3 none provided, to an updated address ascertained through the Class Member
4 Address Search. The Administrator need not take further steps to deliver checks to
5 Class Members whose re-mailed checks are returned as undelivered a second time.
6 The Administrator shall promptly send a replacement check to any Class Member
7 whose original check was lost or misplaced, or as requested by the Class Member
8 prior to the Void Date.

9 4.4.3. For any Class Member whose Individual Class and/or PAGA Payment check is
10 uncashed and cancelled after the Void Date, the Administrator shall transmit the
11 funds represented by such checks to a *cy pres* recipient, in accordance with the
12 requirements of California Code of Civil Procedure § 384. The Parties agree to
13 appoint Legal Aid at Work as the *cy pres* recipient, subject to the Court's approval.
14 Defendant and Defense Counsel agree to provide Plaintiff with declarations
15 attesting to no relationship with or financial interest in the *cy pres* recipient, which
16 Plaintiff agrees to file with a motion for preliminary settlement approval.

17 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall
18 not obligate Defendant to confer any additional benefits or make any additional
19 payments to Class Members (such as 401(k) contributions or bonuses) beyond
20 those specified in this Agreement.

21 **5. RELEASES OF CLAIMS**

22 5.1. Plaintiff's General Release. In exchange for the promises contained in this Agreement, to
23 the maximum extent waivable under applicable law, Class Representative may not sue or
24 bring any claim against any of the Released Parties for any reason whatsoever.
25 Specifically, Class Representative, to the maximum extent waivable under applicable law,
26 on behalf of herself and her heirs, personal representatives, successors, spouses, registered
27 domestic partners, children, and assigns hereby releases and forever discharges Released
28 Parties from any and all claims, liens, demands, or liabilities whatsoever, whether known

or unknown or suspected to exist by Class Representative, which she ever had or may now have against Released Parties, or any of them, arising at any time up to the date Plaintiff's execution of the Memorandum of Understanding (February 2, 2024). The claims that Class Representative, and her heirs, personal representatives, successors, spouses, registered domestic partners, and children, waive above include, but are not limited to, claims under contract law, common and statutory law regarding employee benefits, tort law, defamation law, wrongful discharge law, privacy rights, whistleblower protections, constitutional protections, the California Fair Employment and Housing Act, and any similar state law (which may include claims for age, race, color, ancestry, national origin, disability, medical condition, marital status, sexual orientation, gender, gender identity, gender expression, religious creed, genetic information, military and veteran status, reproductive health decision-making, pregnancy, sex discrimination, and harassment), the Federal Civil Rights Act of 1964 and 1991, as amended, the Age Discrimination in Employment Act ("ADEA"), the Older Workers' Benefit Protection Act, the Americans With Disabilities Act ("ADA"), the Employee Retirement Income and Securities Act ("ERISA"), the Family and Medical Leave Act ("FMLA"), the California Family Rights Act ("CFRA"), the Equal Pay Act, the National Labor Relations Act ("NLRA"), the Labor Management Relations Act ("LMRA"), the Fair Labor Standards Act ("FLSA"), any and all protections pursuant to any Industrial Welfare Commission Order, and any and all claims pursuant to the California Labor Code, including, but not limited to, all claims for reimbursement of business expenses under Labor Code section 2802 and, all claims for civil penalties under the Private Attorneys General Act of 2004, with the sole exclusion of any claims for unemployment insurance with the State of California, any claims against Defendant's workers' compensation insurance carrier, any claims or actions to enforce the Settlement or this Agreement, and any claims that cannot be waived under applicable law.

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

1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
2 THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
3 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
4 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM
5 OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
6 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

7 Plaintiff, being aware of this section, hereby expressly waives and
8 relinquishes all rights and benefits she may have under this section as
9 well as any other statutes or common law principles of a similar effect.
10 Plaintiff may hereafter discover facts in addition to or different from
11 those which she now knows or believes to be true, but she stipulates and
12 agrees that, upon the Effective Date and the Settlement being fully
13 funded, Plaintiff shall and hereby does fully, finally, and forever settles
14 and releases any and all claims against the Released Parties, known or
15 unknown, suspected or unsuspected, contingent or non-contingent,
16 whether or not concealed or hidden, which now exist, or heretofore have
17 existed, upon any theory of law or equity and without regard to the
18 subsequent discovery or existence of such different or additional facts.

19 5.2. Released Class Claims by Participating Class Members. Plaintiff, on behalf of herself and
20 each Participating Class Member, acknowledges that this Settlement is intended to include
21 in its effect a full release of all claims and/or causes of action against the Released Parties
22 asserted in the Operative Complaint, or that could have been in asserted in the Operative
23 Complaint, based on the facts alleged in the Operative Complaint under any federal, state
24 or local law, Industrial Welfare Commission Wage Order, or administrative order,
25 including, but not limited to, the failure to pay minimum wages, the failure to pay overtime
26 compensation, the failure to provide timely, uninterrupted meal periods (or meal period
27 premiums in lieu thereof), the failure to provide timely, uninterrupted paid rest periods (or
28 rest period premiums in lieu thereof), the failure to indemnify necessary business expenses,
the failure to provide accurate itemized statements, the failure to timely pay wages
throughout employment, the failure to timely pay all wages upon separation of

1 employment, the failure to pay waiting-time penalties, and any other claims whatsoever
2 that were alleged in the Operative Complaint or which arise out of such facts, including,
3 without limitation, all related claims for restitution and other equitable relief under
4 Business and Professions Code §§ 17200, *et seq.*, liquidated damages, punitive damages,
5 attorneys' fees, costs, interest, and penalties, and arising from their work for Defendant in
6 California during the Class Period ("Released Class Claims"). The Released Class Claims
7 exclude any claims for vested benefits, unemployment benefits, disability benefits, social
8 security benefits, or workers' compensation benefits that arose at any time, or any claims
9 based on occurrences outside of the Class Period.

10 5.3. Released PAGA Claims by Aggrieved Employees. Plaintiff and all Aggrieved Employees
11 (regardless whether they opt out of the settlement of the class claims) release the Released
12 Parties of all claims and/or causes of action for civil penalties (and associated attorneys'
13 fees, costs, and interest) under the PAGA that are based on the claims for Labor Code
14 violations (as set forth in Paragraph 5.2 of the Settlement Agreement) and alleged in
15 Plaintiff's PAGA Notice arising during their work for Defendant in California during the
16 PAGA Period ("Released PAGA Claims"). The Released PAGA Claims exclude any
17 claims for vested benefits, unemployment benefits, disability benefits, social security
18 benefits, or workers' compensation benefits that arose at any time, or any claims based on
19 occurrences outside of the PAGA Period.

20 5.4. Date Releases are Effective. The released claims described in Paragraph 5 *et seq.* above
21 will become effective upon the Court's Final Approval Order and Defendant's payment of
22 the Gross Settlement Amount and its employer-side taxes to the Administrator.

23 **6. MOTION FOR PRELIMINARY APPROVAL**

24 6.1. Plaintiff's Responsibilities. Plaintiff will prepare and file all documents necessary for
25 obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in
26 support, of the Motion for Preliminary Approval that includes an analysis of the Settlement
27 under *Dunk/Kullar* and a request for approval of the PAGA portion of the Settlement under
28 Labor Code § 2699(f)(2); (ii) a draft proposed order granting preliminary settlement

1 approval and approving the proposed Class Notice; (iii) a signed declaration from the
2 Administrator attaching its bid for administering the Settlement and attesting to its
3 willingness to serve; competency; operative procedures for protecting the security of Class
4 Data; amounts of insurance coverage for any data breach, defalcation of funds, or other
5 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class
6 Members; and the nature and extent of any financial relationship with Plaintiff, Class
7 Counsel, or Defense Counsel; (iv) a signed declaration from Plaintiff confirming
8 willingness and competency to serve as the Class Representative, and disclosing all facts
9 relevant to any actual or potential conflicts of interest with Class Members and/or the
10 Administrator; (v) a signed declaration from Class Counsel attesting to competency to
11 represent Class Members; timely transmission to the LWDA of all necessary PAGA
12 documents (Plaintiff's PAGA Notice [Lab. Code § 2699.3(a)], the Operative Complaint
13 [Lab. Code § 2699(l)(1)], and this Agreement [Lab. Code § 2699(l)(2)]; and all facts
14 relevant to any actual or potential conflict of interest with Class Members and/or the
15 Administrator. Plaintiff shall provide drafts of the notice and memorandum in support of
16 the Motion for Preliminary Approval as well as a proposed order granting preliminary
17 approval to Defense Counsel no later than twelve (12) calendar days prior to filing the
18 Motion for Preliminary Approval.

19 6.2. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
20 for obtaining a prompt hearing date for the Motion for Preliminary Approval and for
21 appearing in Court to advocate in favor of the Motion. Class Counsel is responsible for
22 delivering the Court's Preliminary Approval to the appointed Administrator.

23 6.3. Duty to Cooperate. Class Counsel and Defense Counsel will expeditiously meet and
24 confer, in person or by telephone, and in good faith, to resolve any disagreements
25 concerning the Motion for Preliminary Approval. If the Parties disagree on any aspect of
26 the proposed Motion for Preliminary Approval and/or the supporting declarations and
27 documents, Class Counsel and Defense Counsel will expeditiously work together on behalf
28 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 ("Phoenix") to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their respective 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. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 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, 26. The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.* and will be administered by the Administrator as such. The Parties and Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.
- 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 PAGA

Pay Periods in the Class Data.

7.4.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A** with a certified accurate Spanish translation of the Class Notice. 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 three (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 shall 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 Notices to Class Members whose Class Notice is returned as undelivered by the USPS a second time.

7.4.4. The deadlines for Class Members' written objections, Workweek and/or PAGA Pay Periods challenges, and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the sixty (60) calendar days otherwise provided in the Class Notice for all Class Members whose initial Class 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, Defendant, Defense Counsel, 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 a Class Notice, the Parties will

1 expeditiously meet and confer, in person or by telephone, and in good faith, in an
2 effort to agree on whether to include them as Class Members. If the Parties agree,
3 such persons will be Class Members entitled to the same rights as other Class
4 Members, and the Administrator will send, via email or overnight delivery, a Class
5 Notice requiring them to exercise options under this Agreement not later than
6 fourteen (14) calendar days after receipt of Class Notice, or the Response Deadline,
7 whichever date is later.

8 7.5. Requests for Exclusion (Opt-Outs).

9 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement
10 may opt-out by sending the Administrator a Request for Exclusion. A Request for
11 Exclusion is a letter from a Class Member or his/her legal representative that
12 reasonably communicates the Class Member's election to be excluded from the
13 Settlement, provides the Class Member's full name, and identifies the Action as
14 *Cruz v. Knightsbridge Plastics, Inc.* (Case No. 23CV028294). While not necessary
15 to be deemed valid, the Request for Exclusion may contain the Class Member's
16 contact information (mailing address, email address, and/or telephone number) to
17 help the Administrator identify the Class Member and contact the Class Member, if
18 necessary, to clarify his or her desire to be excluded. The Request for Exclusion
19 must be signed by the Class Member or his/her legal representative. To be timely, a
20 Request for Exclusion must be faxed, emailed, or postmarked by the Response
21 Deadline.

22 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it
23 fails to contain all the information specified in the Class Notice. The Administrator
24 shall accept any Request for Exclusion as valid if the Administrator can reasonably
25 ascertain the identity of the person as a Class Member and the Class Member's
26 desire to be excluded. The Administrator's determination shall be final and not
27 appealable or otherwise susceptible to challenge. If the Administrator has reason to
28 question the authenticity of a Request for Exclusion, the Administrator may

1 demand additional proof of the Class Member's identity. The Administrator's
2 determination of authenticity shall be final and not appealable or otherwise
3 susceptible to challenge.

4 7.5.3. Every Class Member who does not submit a timely and valid Request for
5 Exclusion is deemed to be a Participating Class Member under this Agreement,
6 entitled to all benefits and bound by all terms and conditions of the Settlement,
7 including the Released Class Claims under Paragraph 5.2 above, regardless of
8 whether the Participating Class Member actually receives the Class Notice or
9 objects to the Settlement.

10 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a
11 Non-Participating Class Member and shall not receive an Individual Class
12 Payment or have the right to object to the class action components of the
13 Settlement. Because future PAGA claims are subject to claim preclusion upon
14 entry of the Judgment, Non-Participating Class Members who are Aggrieved
15 Employees are subject to the Released PAGA Claims identified in Paragraph 5.3
16 above and are eligible for an Individual PAGA Payment.

17 7.6. Challenges to Calculation of Workweeks and/or PAGA Pay Periods. Each Class Member
18 shall have the opportunity to challenge the number of Class Workweeks and PAGA Pay
19 Periods (if any) allocated to that Class Member as reported in the Class Notice. The Class
20 Member may challenge the allocation by communicating with the Administrator via fax,
21 email, or mail. Any mailed challenges must be postmarked by the Response Deadline. The
22 Administrator must encourage the challenging Class Member to submit supporting
23 documentation. In the absence of any contrary documentation, the Administrator is
24 entitled to presume that the Workweeks and/or PAGA Pay Periods reported in the Class
25 Notice are correct so long as they are consistent with the Class Data. The Administrator's
26 determination of each Class Member's allocation of Workweeks and/or PAGA Pay
27 Periods shall be final and not appealable or otherwise susceptible to challenge. The
28 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, including contesting the fairness of the Settlement and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Costs Payment, and/or Class Representative Service Payment.

7.7.2. Participating Class Members may object by sending the Administrator a written objection. A written objection is a letter from a Class Member or his/her legal representative that reasonably communicates the Class Member's objection and basis for the objection, provides the Class Member's full name, and identifies the Action as *Cruz v. Knightsbridge Plastics, Inc.* (Case No. 23CV028294). While not necessary to be deemed valid, the written objection may contain the Class Member's contact information (mailing address, email address, and/or telephone number) to help the Administrator identify the Class Member and contact the Class Member, if necessary, to clarify his or her objection. The written objection must be signed by the Class Member or his/her legal representative. To be timely, the written objection must be timely faxed, emailed, or postmarked by the Response Deadline by fax, email, or mail. Any mailed objections must be postmarked by the Response Deadline. In the alternative and/or in addition, Participating Class Members may appear (or hire an attorney to appear on his or her behalf) in Court to present verbal objections at the Final Approval Hearing.

7.7.3. Non-Participating Class Members have no right to object to 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, 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

1 and copies of the Settlement Agreement, Motion for Preliminary Approval, the
2 Preliminary Approval Order, the Class Notice, the Motion for Final Approval
3 (including requests for the for Class Counsel Fees Payment, Class Counsel Costs
4 Payment, and Class Representative Service Payment), the Final Approval Order,
5 and the Judgment. The Administrator will also maintain and monitor an email
6 address and a toll-free telephone number to receive Class Member calls, faxes, and
7 emails.

8 7.8.2. Requests for Exclusion (Opt-outs), Exclusion List, and Objections. The
9 Administrator will promptly review, on a rolling basis, Requests for Exclusion to
10 ascertain their validity and timeliness. No later than five (5) business days after the
11 expiration of the deadline for submitting Requests for Exclusion or written
12 Objections, the Administrator shall email a list to Class Counsel and Defense
13 Counsel containing (a) the names and other identifying information of Class
14 Members who have timely submitted valid Requests for Exclusion (the “Exclusion
15 List”); (b) the names and other identifying information of Class Members who
16 have submitted invalid and/or untimely Requests for Exclusion; (c) copies of all
17 Requests for Exclusion from Settlement submitted (whether valid or invalid, timely
18 or untimely); and (d) copies of all written objections.

19 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
20 reports to Class Counsel and Defense Counsel that, among other things, tally the
21 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,
22 Requests for Exclusion (whether valid or invalid, timely or untimely) received,
23 objections received (whether timely or untimely), challenges to Workweeks and/or
24 PAGA Pay Periods received and/or resolved, and checks mailed for Individual
25 Class Payments and Individual PAGA Payments (“Weekly Reports”). The
26 Weekly Reports must include the Administrator’s assessment of Requests for
27 Exclusion, objections, and challenges to Workweek and/or PAGA Pay Periods,
28 and attach copies of all Requests for Exclusion and objections received.

- 1 7.8.4. Workweek and/or PAGA Pay Period Challenges. The Administrator has the
2 authority to address and make final decisions, consistent with the terms of this
3 Agreement, on all Class Member challenges over the calculation of Workweeks
4 and/or PAGA Pay Periods. The Administrator's decision shall be final and not
5 appealable or otherwise susceptible to challenge.
- 6 7.8.5. Administrator's Declaration. No later than fourteen (14) calendar days before the
7 date by which Plaintiff is required to file the Motion for Final Approval of the
8 Settlement, the Administrator will provide to Class Counsel and Defense Counsel,
9 a signed declaration suitable for filing in Court attesting to its due diligence and
10 compliance with all of its obligations under this Agreement, including, but not
11 limited to, its mailing of Class Notice, the Class Notices returned as undelivered,
12 the re-mailing of Class Notices, attempts to locate Class Members, the total
13 number of Requests for Exclusion from Settlement it received (both valid or
14 invalid, timely or untimely), the number of written objections (both timely or
15 untimely), and attach the Exclusion List. The Administrator will supplement its
16 declaration as needed or requested by the Parties and/or the Court. Class Counsel is
17 responsible for filing the Administrator's declaration(s) in Court.
- 18 7.8.6. Final Report by Settlement Administrator. Within ten (10) business days after the
19 Administrator disburses all funds in the Gross Settlement Amount, the
20 Administrator will provide Class Counsel and Defense Counsel with a final report
21 detailing its disbursements by employee identification number only of all payments
22 made under this Agreement. At least fifteen (15) calendar days before any
23 deadline set by the Court, the Administrator will prepare and submit to Class
24 Counsel and Defense Counsel a signed declaration suitable for filing in Court
25 attesting to its disbursement of all payments required under this Agreement. Class
26 Counsel is responsible for filing the Administrator's declaration in Court.

27 **8. ESCALATOR CLAUSE**

28 The Gross Settlement Amount is based on Defendant's estimate that there are approximately

23,144 total Workweeks at issue during the Class Period, as of the date of mediation (February 2, 2024). If the number of Workweeks worked by Class Members during the Class Period is fifteen percent (15%) higher (i.e., at least 26,616 Workweeks), then Defendant will have the option to, either: (1) make a *pro-rata* increase in the Gross Settlement Amount equal to the percentage increase in Workweeks above 26,616 (i.e., if the total Workweeks increases by seventeen percent (17%), then a two percent (2%) increase to the Gross Settlement Amount); or (2) select a cut-off of the Class Period to end on the date that total Workweeks worked by Class Members reached 26,616.

9. DEFENDANT’S RIGHT TO WITHDRAW

No later than five (5) calendar days after the Response Deadline, the Administrator shall email a list to Class Counsel and Defense Counsel containing the names of Class Members who have submitted timely and valid Requests for Exclusion (the “Exclusion List”). Defendant retains the right, in the exercise of its sole discretion, to terminate, nullify, and void this Settlement within thirty (30) calendar days after expiration of the opt-out period, if the number of valid and timely Requests for Exclusion identified in the Exclusion List exceeds ten percent (10%) of the total of all Class Members. The Parties agree that, if Defendant terminates the Settlement, 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 Settlement; provided, however, Defendant will remain responsible for paying all reasonable settlement administration costs incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw no later than fifteen (15) calendar days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL

No later than sixteen (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 portion of the Settlement under Labor Code § 2699(l) and a proposed order granting final approval and judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of the proposed order granting final approval and judgment as well as the notice and memorandum in support of motion to Defense Counsel no later than fourteen (14) calendar 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

1 good faith, to resolve any disagreements concerning the Motion for Final Approval.

2 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by
3 a Participating Class Member, including the right to file responsive documents in Court no
4 later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered
5 or accepted by the Court.

6 10.2. Duty to Cooperate. If the Court does not grant Final Approval of the Settlement or
7 conditions Final Approval on any material change to the Settlement (including, but not
8 limited to, the scope of release to be granted by Class Members), the Parties will
9 expeditiously work together, and in good faith, to address the Court's concerns, including
10 by revising the Agreement as necessary, to obtain Final Approval of the Settlement. The
11 Court's decision to award less than the amounts requested for the Class Representative
12 Service Payment, Class Counsel Fees Payment, Class Counsel Costs Payment, and/or
13 Administration Expenses Payment shall not constitute a material modification to the
14 Agreement within the meaning of this Paragraph.

15 10.3. Enforcement and Continuing Jurisdiction of the Court. The Alameda County Superior
16 Court shall maintain jurisdiction over this Settlement pursuant to Code Civ. Proc. § 664.6.
17 In the event that one or more of the Parties to this Settlement institutes any legal action or
18 other proceeding against any other party or parties to enforce the provisions of this
19 Settlement or to declare rights and/or obligations under this Settlement, the successful
20 party or parties shall be entitled to recover from the unsuccessful party or parties
21 reasonable attorneys' fees and costs, including expert witness fees incurred in connection
22 with any enforcement actions.

23 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
24 conditions of this Agreement, specifically including the Class Counsel Fees Payment and
25 Class Counsel Costs Payment reflected set forth in this Settlement, the Parties, their
26 respective counsel, and all Participating Class Members waive all rights to appeal from the
27 Judgment, including all rights to post-Judgment and appellate proceedings, the right to file
28 motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The

1 waiver of appeal does not include any waiver of the right to oppose such motions, writs, or
2 appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this
3 Agreement will be suspended until such time as the appeal is finally resolved and the
4 Judgment becomes final, except as to matters that do not affect the amount of the Net
5 Settlement Amount.

6 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
7 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
8 material modification of this Agreement (including, but not limited to, the scope of releases
9 to be granted by Class Members), this Agreement shall be null and void. The Parties shall
10 nevertheless expeditiously work together, and in good faith, to address the appellate court's
11 concerns and to obtain Final Approval of the Settlement and entry of Judgment, sharing,
12 on a 50-50 basis, any additional administration expenses reasonably incurred after
13 remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the
14 Class Representative Service Payment or any payments to Class Counsel shall not
15 constitute a material modification of the Judgment within the meaning of this Paragraph, so
16 long as the Gross Settlement Amount remains unchanged.

17 **11. AMENDED JUDGMENT**

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

20 **12. ADDITIONAL PROVISIONS**

21 12.1. No Admission of Liability, Class Certification, or Representative Manageability for Other
22 Purposes. This Settlement represents a compromise and settlement of highly disputed
23 claims. Nothing in the Settlement and/or in this Agreement is intended or should be
24 construed as an admission by Defendant that any of the allegations in the Action have
25 merit or that Defendant has any liability for any claims asserted; nor should it be intended
26 or construed as an admission by Plaintiff that Defendant's defenses in the Action have
27 merit. The Parties agree that class certification and representative treatment is for purposes
28 of this Settlement only. If, for any reason, the Court does not grant Preliminary and/or

1 Final Approval of the Settlement, or enter Judgment, Defendant reserves the right to
2 contest certification of any class for any reasons and reserves all available defenses to the
3 claims in the Action, and Plaintiff reserves the right to move for class certification on any
4 grounds available and to contest Defendant's defenses. The Settlement, this Agreement,
5 and the Parties' willingness to settle the Action will have no bearing on, and will not be
6 admissible in connection with, any litigation (except for proceedings to enforce or
7 effectuate the Settlement and this Agreement).

8 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and
9 Defense Counsel separately agree that, until the Motion for Preliminary Approval of
10 Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize,
11 or cause or permit another person to disclose, disseminate, or publicize, any of the terms of
12 this Agreement, directly or indirectly, specifically or generally, to any person, corporation,
13 association, government agency, or other entity except: (1) to the Parties' attorneys,
14 accountants, or spouses, all of whom will be instructed to keep this Agreement
15 confidential; (2) to the extent necessary to report income to appropriate taxing authorities;
16 (3) in response to a court order or subpoena; or (4) in response to an inquiry or subpoena
17 issued by a state or federal government agency. Each Party agrees to immediately notify
18 each other Party of any judicial or agency order, inquiry, or subpoena seeking such
19 information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree
20 not to, directly or indirectly, initiate any conversation or other communication, before the
21 filing of the Motion for Preliminary Approval, with any third party regarding the
22 Settlement, this Agreement, or the matters giving rise to this Agreement, including the
23 negotiations of the Settlement, except to respond only that "the matter was resolved" or
24 words to that effect. Further, following the filing of the Motion for Preliminary Approval,
25 the Parties and their respective counsel agree to make no comments to the media or
26 otherwise publicize the terms of the Settlement. This Paragraph shall not restrict Class
27 Counsel's communications with Class Members in accordance with any ethical obligations
28 Class Counsel owes to Class Members.

- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees, if any, 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 any ethical obligations Class Counsel owes to Class Members.
- 12.4. Integrated Agreement. Upon execution by all Parties and their respective counsel, this Agreement, together with its attached exhibit, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. Cooperation. The Parties and their respective counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying this Agreement and/or submitting supplemental evidence and supplemental 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 the 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 any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Parties in this Settlement.
- 12.8. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the Acknowledging

Party, an “Other Party”) acknowledges and agrees that:

- a. No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);
- b. The Acknowledging Party (a) has relied exclusively upon his or its own independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- c. No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney’s or advisor’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

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 as 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 Party.

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibit 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

1 preparation of this Agreement. This Agreement will not be construed against
2 any Party on the basis that the Party was the drafter or participated in the
3 drafting.

4 12.13 Confidentiality. To the extent permitted by law, all agreements made and orders
5 entered during Action and in this Agreement relating to the confidentiality of
6 information shall survive the execution of this Agreement.

7 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant
8 to Evidence Code § 1152, and all copies and summaries of the Class Data
9 provided to Class Counsel by Defendant or Defense Counsel in connection with
10 the mediation, other settlement negotiations, or in connection with the
11 Settlement, may be used only with respect to this Settlement, and no other
12 purpose, and may not be used in any way that violates any existing contractual
13 agreement, statute, or rule of court. No later than ninety (90) calendar days
14 after the date when the Court discharges the Administrator's obligation to
15 provide a declaration confirming the disbursement of all Settlement funds,
16 Plaintiff shall destroy any and all paper and electronic versions of Class Data
17 received from Defendant unless, prior to the Court's discharge of the
18 Administrator's obligation, Defendant makes a written request to Class Counsel
19 for the return, rather than the destructions, of Class Data.

20 12.15 Headings. The descriptive heading of any section or paragraph of this
21 Agreement is inserted for convenience of reference only and does not constitute
22 a part of this Agreement.

23 12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this
24 Agreement shall be to calendar days. In the event any date or deadline set forth
25 in this Agreement falls on a weekend or federal legal holiday, such date or
26 deadline shall be on the first business day thereafter.

27 12.17 Notice. All notices, demands, or other communications between the Parties in
28 connection with this Agreement will be in writing and deemed to have been

duly given as of the third business day after mailing by USPS mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

MOON LAW GROUP, PC
725 S. Figueroa St., 31st Floor
Los Angeles, California 90017
Kane Moon (E-mail: kmoon@moonlawgroup.com)
Allen Feghali (E-mail: afeghali@moonlawgroup.com)
Charlotte Mikat-Stevens (E-mail: cmikat-stevens@moonlawgroup.com)

To Defendant:

SIMPSON, GARRITY, INNES & JACUZZI, P.C.
601 Gateway Boulevard, Suite 950
South San Francisco, California 94080
Ronald F. Garrity (E-mail: rgarrity@sgijlaw.com)
Sean R. Broderick (E-mail: sbroderick@sgijlaw.com)

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, 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.

[Signatures on following page]

1 **AGREED AND UNDERSTOOD BY:**

2 **Plaintiff:**

3 Dated: 06/13/24

By: Veronica Cruz
Veronica Cruz

5 **Defendant:**

6 Dated: June 16, 2024

By: Jean A. Nagra
Jean Nagra

Title: President

10 **APPROVED AS TO FORM ONLY BY:**

11 **Plaintiff's Counsel:**

12 Dated: June 13, 2024

MOON LAW GROUP, PC

By: Kane Moon
Kane Moon
Allen Feghali
Charlotte Mikat-Stevens
Attorneys for Plaintiff
Veronica Cruz

17 **Defendant's Counsel:**

18 Dated: June 17, 2024

SIMPSON, GARRITY, INNES & JACUZZI, P.C.

By: Ronald F. Garrity
Ronald F. Garrity
Sean R. Broderick
Attorneys for Defendant
Knightsbridge Plastics, Inc.

EXHIBIT A

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

Veronica Cruz v. Knightsbridge Plastics, Inc.
Alameda County California Superior Court Case No. 23CV028294

The Superior Court for the State of California authorized this Notice. Please read it carefully!
This is not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class and representative action lawsuit *Veronica Cruz v. Knightsbridge Plastics, Inc.*, Alameda Superior Court Case No. 23CV028294 (the “Action”) for alleged wage and hour violations. The Action was filed by Veronica Cruz (“Plaintiff”), a former employee of Knightsbridge Plastics, Inc. (“Defendant”) (together, Plaintiff and Defendant are the “Parties”). The Action seeks payment of (1) back wages for a class of all persons who worked for Defendant in California as an hourly, non-exempt employee at any time during the Class Period (“Class Members”); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all persons who worked for Defendant in California as an hourly, non-exempt employee at any time during the PAGA Period (“Aggrieved Employees”). The “Class Period” is the period from February 19, 2019, through May 5, 2024. The “PAGA Period” is the period from February 19, 2022, through May 5, 2024.

The proposed Settlement has two main parts: (1) a “Class Settlement” requiring Defendant to fund Individual Class Payments to Class Members who do not opt-out of the Settlement (“Participating Class Members”), and (2) a “PAGA Settlement” requiring Defendant to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and Workforce Development Agency (the “LWDA”).

Based on Defendant’s business records, **your Individual Class Payment is estimated to be \$ [REDACTED] (less wage withholdings) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. (If no amount is stated for your Individual PAGA Payment, then you are not eligible for an Individual PAGA Payment because, according to Defendant’s records, you did not work during the PAGA Period and, therefore, are not an Aggrieved Employee.) However, the actual amount you may receive may be different and will depend on various factors.

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] workweeks** during the Class Period, and that **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods, you can submit a challenge by **Response Deadline**. See **Section 4** of this Notice for more information.

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

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

- (1) **Do Nothing.** You do not have to do anything to participate in the proposed Settlement or 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 the Released Class Claims, as defined below, against Defendant and other Released Parties.
- (2) **Request for Exclusion from the Class Settlement.** You can exclude yourself from the Class Settlement by submitting a Request for Exclusion (defined below) to the Administrator. If you request exclusion, you will not receive an Individual Class Payment. You will, however, preserve your right to assert the Released Class Claims, as are defined below, against Defendant and other Released Parties. However, cannot request exclusion from the PAGA Settlement; meaning, if you are an Aggrieved Employee, you will still

receive an Individual PAGA Payment and have to give up your right to assert the Released PAGA Claims, as defined below, against Defendant and other Released Parties.

- (3) Object to the Class Settlement.** You can object to the Class Settlement by submitting a written objection to the Administrator. Alternatively, and/or in addition, you can appear at the Final Approval Hearing (or hire an attorney to appear on your behalf) to object. However, you cannot object to the PAGA Settlement. Additionally, you can only object to the Class Settlement if you have not excluded yourself from the Class Settlement.

If you are still employed by Defendant, your decision about whether to participate in the proposed Settlement will not affect your employment in any way. In accordance with California law, Defendant strictly prohibits retaliation in any form. Defendant will not take any adverse employment action against or otherwise retaliate or discriminate against any Class Member because of the Class Member's decision to either participate or not participate in the Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Do Not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be considered a Participating Class Member and be eligible for an Individual Class Payment and may be eligible for an Individual PAGA Payment. In exchange, you will give up your right to assert wage claims against Defendant and other Released Parties that are covered by the Class Settlement ("Released Class Claims").
You Can Submit a Request for Exclusion from the Class Settlement, but not the PAGA Settlement The Deadline to Submit a Request for Exclusion is [REDACTED]	If you do not want to fully participate in the Settlement, you can exclude yourself from the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be considered a "Non-Participating Class Member" and no longer be eligible for an Individual Class Payment. Non-Participating Class Members cannot object to the Settlement. <i>See Section 6</i> of this Notice for more information. However, you cannot exclude yourself from the PAGA Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees, and all Aggrieved Employees must give up their rights to pursue claims for penalties against Defendant and other Released Parties that are covered by the PAGA Settlement ("Released PAGA Claims").
Participating Class Members Can Object to the Class Settlement, but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	Only Class Members who do not exclude themselves from the Class Settlement ("Participating Class Members") can object to the proposed Settlement. However, Class Members cannot object to the PAGA Settlement, regardless of whether they exclude themselves from the Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff, who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. <i>See Section 7</i> of this Notice for more information.
You Can Participate in the [REDACTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. You do not 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, and verbally object to the Settlement at the Final Approval Hearing. <i>See Section 8</i> of this Notice for more information. Remember that only Participating Class Members can object to the proposed Settlement. Do not submit a Request for Exclusion if you want to object.

You Can Challenge the Calculation of Your Workweeks and/or PAGA Pay Periods	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked for at least one day during the Class Period (“Workweeks”) and how many Pay Periods you worked for at least one day during the PAGA Period (“PAGA Pay Periods”), respectively.
Written Challenges Must be Submitted by 	The number of Workweeks and PAGA Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice for more information.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. Plaintiff filed a proposed Class action lawsuit on behalf of herself, the State of California, and other current and former employees of Defendant. In the Action, Plaintiff alleges that Defendant violated California labor laws by failing to pay minimum wages, overtime wages, final wages due in a timely fashion upon separation of employment, and to reimburse reasonable business-related expenses, as well as failing to provide meal periods, rest breaks, and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for unfair business practices under the California Business and Professions Code and a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”). Plaintiff is represented by attorneys of Moon Law Group, PC (“Class Counsel.”)

Defendant strongly denies violating any laws or failing to pay any wages, contends it complied with all applicable laws, and maintains this Action is not appropriate for Class certification. Defendant disputes all of the claims asserted in the Action and enters into this Settlement for the sole purpose of avoiding the operational burden, expense, distraction, and uncertainty of continuing litigation. The Court has not decided any of the contentions of the Parties. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claims asserted by Plaintiff.

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits, or whether the Action should be certified as a Class Action. Rather than continuing the expensive and time-consuming process of litigation, and considering the substantial risks of losing, Plaintiff and Defendant hired an experienced and neutral mediator, Tripper Ortman, in an effort to resolve the Action and negotiate a lengthy written settlement agreement to end the case (the “Settlement Agreement”). The negotiations were successful. By signing the Agreement and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement Agreement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement Agreement reflects a compromise by both Parties of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims, and likewise, Plaintiff does not admit to the merit of Defendant’s defenses.

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

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

1. Defendant Will Pay \$700,000.00 as the Gross Settlement Amount (the “Gross Settlement”). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator

of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments to Participating Class Members, Individual PAGA Payments to Aggrieved Employees, Class Representative Service Payment to Plaintiff, Class Counsel's Fees and Costs Payments, the Administrator's Expenses Payment, and PAGA Penalties to be paid to the California Labor and Workforce Development Agency (the "LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement, and also fund the amounts necessary to fully pay its employer-share of payroll taxes owed on the Wage Portion of Individual Class Payments, within thirty calendar (30) days of the Effective Date of the Settlement, as that term is defined under the Settlement Agreement.

2. Court Approved Deductions from the Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the actual amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to thirty-three and one-third percent (33.33%) of the Gross Settlement (currently estimated to be \$233,333.33) to Class Counsel for attorneys' fees and up to \$25,000.00 as reimbursement for their out-of-pocket litigation expenses (the "Class Counsel Fees Payment" and "Class Counsel Costs Payment," respectively). To date, Class Counsel have worked and incurred expenses on the Action without any payment.
 - B. Up to \$7,500.00 as a service award to Plaintiff for filing the Action, working with Class Counsel, and representing the Class (the "Class Representative Service Payment"). This award will be the only amount Plaintiff will receive, excluding any Individual Class Payment and Individual PAGA Payment Plaintiff is eligible to receive.
 - C. Up to \$9,000.00 to the Administrator for services and costs in administering the Settlement (the "Administration Expenses Payment").
 - D. Up to \$60,000.00 for PAGA Penalties, allocated as 75% (\$45,000.00) to the LWDA (the "LWDA PAGA Payment") and 25% (\$15,000.00) in Individual PAGA Payments to Aggrieved Employees based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of the above deductions, other than the PAGA Penalties amount, and the Court will consider all objections.

3. Net Settlement Amount Distributed to Participating Class Members. After making the above deductions from the Gross Settlement in the amounts approved by the Court, the Administrator will distribute the remainder (the "Net Settlement") Participating Class Members through Individual Class Payments based on the number of Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to wages (the "Wage Portion") and 80% to penalties and interest (the "Non-Wage Portion"). The Wage Portion is subject to tax withholdings and will be reported on IRS W-2 Forms by the Administrator. Defendant will separately pay its employer-share of payroll taxes owed on the Wage Portion.

On the other hand, Individual PAGA Payments are counted as 100% penalties, rather than wages, for tax purposes, and therefore, they are not subject to any withholdings. However, the Administrator will report Individual PAGA Payments, as well as the Non-Wage Portions of Individual Class Payments, on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to the above 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 under the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. 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 enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void; meaning, Defendant will not pay any money and Class Members will not release any claims.
6. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the “Administrator”), to mail you this Notice, calculate payments to Class Members, and process and/or resolve any Requests for Exclusion, written objections, or challenges to Workweeks and/or PAGA Pay Periods. The Administrator will also 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.
7. Released Parties. For purposes of the Released Class Claims and Released PAGA Claims, the “Released Parties” means Defendant, and all present and former parent companies, subsidiaries, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, and successors and assigns of Defendant, and any individual or entity which could be jointly liable with Defendant and its respective present and former parent companies, subsidiaries, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, and successors and assigns.
8. Released Class Claims by Participating Class Members. Plaintiff, on behalf of herself and each Participating Class Member, acknowledges that this Settlement is intended to include in its effect a full release of all claims and/or causes of action against the Released Parties asserted in the Operative Complaint, or that could have been asserted in the Operative Complaint, based on the facts alleged in the Operative Complaint under any federal, state or local law, Industrial Welfare Commission Wage Order, or administrative order, including, but not limited to, the failure to pay minimum wages, the failure to pay overtime compensation, the failure to provide timely, uninterrupted meal periods (or meal period premiums in lieu thereof), the failure to provide timely, uninterrupted paid rest periods (or rest period premiums in lieu thereof), the failure to indemnify necessary business expenses, the failure to provide accurate itemized statements, the failure to timely pay wages throughout employment, the failure to timely pay all wages upon separation of employment, the failure to pay waiting-time penalties, and any other claims whatsoever that were alleged in the Operative Complaint or which arise out of such facts, including, without limitation, all related claims for restitution and other equitable relief under Business and Professions Code §§ 17200, *et seq.*, liquidated damages, punitive damages, attorneys’ fees, costs, interest, and penalties, and arising from their work for Defendant in California during the Class Period (“Released Class Claims”). The Released Class Claims exclude any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers’ compensation benefits that arose at any time, or any claims based on occurrences outside of the Class Period.

Unless you submit a timely and valid Request for Exclusion, you will be bound by this release. This means that you will not be able to sue, maintain a current lawsuit, or be part of another lawsuit against the Released Parties for the Released Class Claims.

9. Released PAGA Claims by Aggrieved Employees. Plaintiff and all Aggrieved Employees (regardless whether they opt out of the settlement of the class claims) release the Released Parties of all claims and/or causes of action for civil penalties (and associated attorneys' fees, costs, and interest) under the PAGA that are based on the claims for Labor Code violations (as set forth in Paragraph 5.2 of the Settlement Agreement) and alleged in Plaintiff's PAGA Notice arising during their work for Defendant in California during the PAGA Period ("Released PAGA Claims"). The Released PAGA Claims exclude any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or any claims based on occurrences outside of the PAGA Period.

If you are an Aggrieved Employee, you will be bound by this release, even if you submit a timely and valid Request for Exclusion from the Class Settlement. This means that you will not be able to sue, maintain a current lawsuit, or be part of another lawsuit against the Released Parties for the Released PAGA Claims.

10. Date Releases are Effective. The Released Class Claims and Released PAGA Claims will become effective upon the Court's Final Approval Order and Defendant's payment of the Gross Settlement Amount and its employer-side taxes to the Administrator.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member. **See Page 1** of this Notice for the amount that is currently estimated for your Individual Class Payment.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$15,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee. **See Page 1** of this Notice for the amount that is currently estimated for your Individual PAGA Payment (if none is stated, that means that according to Defendant's records, you didn't work during the PAGA Period and, therefore, are not an Aggrieved Employee.)
3. Workweek and/or PAGA Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as are recorded in Defendant's records, are stated on **Page 1** of this Notice. You have until **Response Deadline** to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by sending a signed, written letter to the Administrator via mail, email, or fax. **See Section 9** of this Notice for the Administrator's contact information.

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

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. postal mail, a check to every Participating Class Member containing his or her Individual Class Payment. If the Participating Class Member is also eligible for an Individual PAGA Payment, the Administrator may combine those amounts in a single check.
2. Non-Participating Class Members. The Administrator will send, by U.S. postal mail, a single check to every Aggrieved Employee who opts out of the Class Settlement containing his or her Individual PAGA Payment check.

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address. Unless you notify the Administrator about any change to your mailing address, your check will be sent to the same address where this Notice was sent.

If you lose or misplace your check before cashing it, the Administrator will replace it as long as you request a replacement before the date when the check expires (the “Void Date”). The front of every check will state the Void Date. If you do not cash your check by the Void Date, the Administrator will cancel your checks and give the funds to a *cy pres* recipient. The Parties have appointed Legal Aid at Work as the *cy pres* recipient of any uncashed settlement funds, subject to the Court’s approval.

6. HOW DO I REQUEST EXCLUSION FROM THE CLASS SETTLEMENT?

You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in a signed writing and no later than **Response Deadline** that you wish to exclude yourself (“Request for Exclusion”). If you submit a valid and timely Request for Exclusion, you will not receive an Individual Class Payment, but will preserve the rights to pursue any Released Class Claims.

To be valid, the Request for Exclusion should be a letter from you or your legal representative setting forth your full name, providing a simple statement that communicates your wish to be excluded from the Settlement, and identifying the Action as *Cruz v. Knightsbridge Plastics, Inc.* (Case No. 23CV028294). You may, but are not required, to include your contact information (mailing address, email address, and/or telephone number) in your Request for Exclusion to help the Administrator identify you and contact you, if necessary, to clarify your desire to be excluded. Also, your Request for Exclusion must be signed by you or your legal representative; no one else can make the request for you.

To be timely, your Request for Exclusion must be submitted to the Administrator by **Response Deadline**. You can submit your Request for Exclusion by fax, email, or by mail if postmarked by **Response Deadline**. See **Section 9** of this Notice for the Administrator’s contact information.

Remember, you cannot exclude yourself from the PAGA Settlement. Non-Participating Class Members remain eligible for Individual PAGA Payments (if any) in exchange for giving up their right to pursue any Released PAGA Claims.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least sixteen (16) court days before the Final Approval Hearing scheduled for [REDACTED], Class Counsel and/or Plaintiff will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and a motion for payment of Class Counsel Fees, Class Counsel Costs, Class Representative Service award, Administration Expenses, and PAGA Penalties. The Motion for Final Approval will state the amounts being requested. A Participating Class Member who disagrees with any aspect

of the Settlement Agreement and/or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair or that the amounts requested by Class Counsel and/or Plaintiff are too high or too low.

You may object by sending a written objection to the Administrator. A written objection is a letter from you or your legal representative that reasonably communicates your objection and the basis for the objection, includes your full name, and identifies the Action as *Cruz v. Knightsbridge Plastics, Inc.* (Case No. 23CV028294). You may, but are not required, to include your contact information (mailing address, email address, and/or telephone number) in your written objection to help the Administrator identify you and contact you, if necessary, to clarify your objection. Also, your written objection must be signed by you or your legal representative; no one else can object for you.

To be timely, your written objection must be submitted to the Administrator by **Response Deadline**. You can submit your written objection by fax, email, or by mail if postmarked by **Response Deadline**. See **Section 9** of this Notice for the Administrator’s contact information.

In addition and/or in the alternative, you can object by attending the Final Approval Hearing (or personally retain a lawyer, at your own cost, to appear on your behalf and object). 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 for specifics regarding the Final Approval Hearing.

Remember, if you exclude yourself from the Class Settlement, you cannot object. Only Participating Class Members have the right to object to the proposed Settlement, and only to the Class portion.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department **23** of the Alameda County Superior Court, Rene C. Davidson Courthouse located at 1225 Fallon Street, Oakland, CA 94612. At the Hearing, the Judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, the LWDA, Aggrieved Employees, and the Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually.

It is possible that the Court will reschedule the Final Approval Hearing. Before the Final Approval Hearing, you should check the Administrator’s website at [REDACTED] 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 that Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Settlement Agreement, the Judgment, Motion for Final Approval, or any other documents relevant to the Action is to go to the Administrator’s website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below to obtain copies of relevant documents and more information.

Additionally, the documents and other records in this Action may be examined online on the Alameda County Superior Court’s website, known as “eCourt Public Portal” (located at <https://eportal.alameda.courts.ca.gov>). After arriving at the website, click the “Search” tab at the top of the page, then select the Document Downloads link, enter the case number (23CV028294) and click “Submit.” Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case *free of charge* by using one of the computer terminal kiosks available at each court location that has a facility for civil filings. To view the Register of Actions, go to the “Search” tab at the top of the page, then select the “Search by Case

Number” enter the case number (23CV028294), select “Search,” and click the link to the case name. You will be able to see the Register of Actions and more.

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

Contact Information for Class Counsel:

Name of Attorneys: Kane Moon; Allen Feghali; Charlotte Mikat-Stevens
Email Addresses: kmoon@moonlawgroup.com; afeghali@moonlawgroup.com;
cmikat-stevens@moonlawgroup.com
Name of Firm: Moon Law Group, PC
Mailing Address: 725 S. Figueroa St., 31st Floor, Los Angeles, California 90017
Telephone: (213) 232-3128
Fax Number: (213) 232-3125

Contact Information for the Settlement Administrator:

Name of Company: XX
Email Address: XX
Mailing Address: XX
Telephone: XX
Fax Number: XX
Website: XX