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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES – SPRING STREET

MIGUEL A. FLORES, individually, and on behalf of all others similarly situated, Plaintiff, vs. CONTINENTAL FORGE COMPANY, LLC, a limited liability company; and DOES 1 through 10, inclusive, Defendants	Case No.: 23STCV07200 <u>CLASS AND REPRESENTATIVE ACTION</u> [Hon. Theresa M. Traber, Dept.1] **SECOND AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE** Complaint filed: April 3, 2023 Trial date: Not set

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Second Amended Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Miguel A. Flores ("Plaintiff") and defendant Continental Forge Company, LLC ("CFC"). The Agreement refers to Plaintiff and CFC collectively as "Parties," or individually as "Party."

1. <u>DEFINITIONS.</u>

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations against CFC captioned *Flores v. Continental Forge Company, LLC* initiated on April 3, 2023 and pending in Superior Court of the State of California, County of Los Angeles, Case Number 23STCV07200.

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

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

1.4. "PAGA Member" means a person employed by CFC in California and classified as a non-exempt hourly paid employee who worked for CFC during the PAGA Period.

1.5. "Class" or "Settlement Class" means all persons employed by CFC in California and classified as <u>a</u> non-exempt hourly paid employee who worked for CFC during the Class Period.

1.6. "Class Counsel" means Moon Law Group, PC.

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

1.8. "Class Data" means Class Member identifying information in CFC'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" or "Settlement Class Member" means a member of the Class, as either a

Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as a PAGA Member).

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

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

1.12. "Class Period" means the period from April 3, 2019 to the date of preliminary approval.

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

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

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

1.16. "CFC" means named Defendant Continental Forge Company, LLC.

1.17. "Defense Counsel" means Sheppard, Mullin, Richter & Hampton LLP.

1.18. "Final Judgment" means the date by when both of the following have occurred: (a) the Court enters a judgment on its order granting final approval of the Settlement ("Judgment"); and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day after the deadline for filing a notice of appeal from the Judgment; or (b) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

1.21. "Gross Settlement Amount" means $392,500.00 which is the total amount CFC agrees to pay under the Settlement except as provided in Paragraph 8 below. From the Gross Settlement Amount, $92,500.00 shall be credited to CFC for the amount it already paid to the Settlement Class to resolve individual claims; therefore, CFC shall pay the remaining, uncredited amount of $300,000.00 ("Uncredited Settlement Amount"), subject to Paragraph 8. The Uncredited Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment, Class Representative Service Payment, and the Administration Expenses Payment.

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

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

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

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

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

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

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

1.29. "PAGA Pay Period" or "Pay Period" means any pay period during which a PAGA

Member worked for CFC for at least one day during the PAGA Period.

1.30. "PAGA Period" means the period from April 3, 2022, to the date of preliminary approval of the Settlement.

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

1.32. "PAGA Notice" means Plaintiff's March 30, 2023, letter to CFC and the LWDA providing notice pursuant to Labor Code section 2699.3 subd. (a).

1.33. "PAGA Penalties" means the total amount of PAGA civil penalties ($20,000.00) to be paid from the Gross Settlement Amount, allocated 25% to PAGA Members ($5,000.00) and 75% to the LWDA ($15,000.00) in settlement of PAGA claims.

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

1.35. "Plaintiff" means Miguel A. Flores, the named plaintiff in the Action.

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

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

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

1.39. "Released Parties" means: CFC and each of its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, investors, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships (defined as a company/corporation and/or partnership that is, directly or indirectly, under common control with CFC or any of their parents and/or affiliates), divisions, assigns, predecessors, successors, insurers, consultants, joint ventures, any actual or alleged joint employers, affiliates, and alter-egos, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns..

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

1.41. "Response Deadline" means 45 days after the Administrator mails the Class Notice to Class Members and PAGA Members, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, (b) fax, email, or mail his or her written objection to the Settlement, or (c) challenge the number of Workweeks and/or Pay Periods allocated to the Class Member by sending a written dispute to the Administrator via fax, email, or mail. Class Members to whom the Class Notice is resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

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

1.43. "Workweek" means any week during which a Class Member worked for CFC for at least one day, during the Class Period.

2. RECITALS.

2.1. On April 3, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against CFC for various labor code violations. On July 25, 2023, Plaintiff filed a First Amended Complaint adding a cause of action against CFC under PAGA for civil penalties associated with the labor code violations alleged in the original Complaint. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). CFC denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

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

2.3. On September 23, 2024, the Parties participated in an all-day mediation presided over by Tripper Ortmann, Esq. which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, Plaintiff's personnel file, data regarding the class size and composition of the putative class, workweek data, and signed releases from putative class members. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

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

3. <u>MONETARY TERMS.</u>

3.1. <u>Gross Settlement Amount</u>. Except as provided in Paragraph 8 below, the Gross Settlement Amount is $392,500.00. CFC promises to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. CFC has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.1 of this Agreement.

3.2. <u>Uncredited Settlement Amount:</u> From the Gross Settlement Amount, Ninety-Two Thousand Five Hundred Dollars and Zero Cents ($92,500.00) shall be credited to Defendant to reflect the amount Defendant already paid to the Settlement Class to resolve individual claims. Accordingly, Defendant will pay a total of Three Hundred Thousand Dollars and Zero Cents ($300,000.00) and no more to the Settlement Administrator. The Administrator will disburse the entire Uncredited Settlement Amount without asking or requiring Participating Class Members or PAGA Members to submit any claim as a condition of payment. None of the Uncredited Settlement Amount will revert to CFC.

3.3. <u>Payments from the Uncredited Settlement Amount</u>. The Administrator will make and deduct the following payments from the Uncredited Settlement Amount, in the amounts specified by the Court in the Final Approval:

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

3.3.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 and 1/3% of the Uncredited Settlement Amount ($300,000.00), which is currently estimated to be $100,000.00, and a Class Counsel Litigation Expenses Payment of not more than $18,000.00. CFC will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion seeking the Court's approval of the Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds CFC harmless, and indemnifies CFC, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.3.3. To the Administrator: An Administration Expenses Payment not to exceed $6,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $6,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

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

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

3.3.4.3. The amount remaining after these deductions in Paragraphs 3.2.1 through 3.2.4 shall be the Net Settlement Amount.

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

3.3.5.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.3.5.2. Effect **of Prior Individual Settlements.** Allocation of the Net Settlement Amount to Settlement Class Members shall be based on workweeks worked during the Class Period. However, any Settlement Class Member who previously executed an individual release and received compensation in resolution of their individual claims shall have their Individual Class Payment reduced by the amount previously paid. Where the amount previously paid equals or exceeds the Settlement Class Member's allocated share, that Settlement Class Member shall receive no Individual Class Payment from the Settlement and shall be deemed to have a zero-dollar allocation.

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

4. <u>SETTLEMENT FUNDING AND PAYMENTS.</u>

4.1. <u>Funding of Uncredited Settlement Amount</u>. CFC shall fully fund the Uncredited Settlement Amount and also fund the amounts necessary to fully pay CFC's share of payroll taxes by transmitting the funds to the Administrator no later than fourteen (14) days after Final Judgment.

4.2. <u>Payments from the Uncredited Settlement Amount</u>. Within fourteen (14) days after CFC funds the Uncredited Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

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

4.2.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are retuned undelivered without the United States

Postal Service ("USPS") forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

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

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

5. <u>RELEASES OF CLAIMS</u>. Effective on the date when CFC fully funds the entire Uncredited Settlement Amount ("Effective Date") and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. <u>Plaintiff's Release</u>. As of the Effective Date, Plaintiff fully and finally releases Released Parties from all claims asserted in, arising from or related in any way to the Action, including without limitation any and all claims that could have been asserted as part of the Action based on the facts and causes of action alleged ("Plaintiff's Released Claims"). Plaintiff's Released Claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages; failure to pay straight time compensation, overtime compensation, double-time compensation, reporting time compensation, and/or interest and/or failure to pay overtime compensation at the regular rate of pay; missed, late, short and/or interrupted meal and/or rest periods, including any claim for any alleged failure to pay premiums for missed, late, short and/or interrupted meal and/or rest periods, or to pay such premiums at the regular rate of compensation; reimbursement for business expenses or any other claim that CFC allowed or required employees to bear any of the costs associated with the operation of CFC's business; failure to provide suitable seating in compliance with Wage Order 7-2001(14)(A)-(B); inaccurate or otherwise improper wage statements and/or failure to keep or maintain accurate records; failure to provide timely and complete personnel file records; unlawful deductions from wages; unlawful payment instruments; any claim for unfair business practices arising out of, arising in connection with, or related to any or all of the aforementioned claims; any claim for statutory or civil penalties arising out of, arising in connection with, or related to any or all of the aforementioned claims, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, liquidated damages, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's Released Claims include all claims arising under the California Labor Code (including, but not limited to, sections 96, 98.6, 200, 201, 201.3, 201.5, 202, 203, 204, 205.5, 210, 212, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.7, 226.8, 227.3, 246 *et seq.*, 450, 510, 511, 512, 516, 558, 558.1, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 1199, 2698 *et seq.*, 2699 *et seq.*, 2800, 2802, and 2810.5); all claims arising under the Wage Orders of the California Industrial Welfare Commission, including but not limited to Wage Order 7-2001(14)(A)-(B); California Business and Professions Code section 17200, *et seq.*; the California Civil Code, including but not limited to, sections 3287, 3289, 3336 and 3294; 12 CCR § 11040; 8 CCR § 11060; California Code of Civil Procedure § 1021.5; the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*; federal common law; and the Employee Retirement

Income Security Act, 29 U.S.C. § 1001, *et seq.* Plaintiff's Released Claims include any and all claims under the Private Attorneys General Act, Cal. Lab. Code § 2698 *et seq.* (PAGA), of any kind, including but not limited to the PAGA claims asserted in the Action. This release excludes the release of claims not permitted by law and does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time.

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

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

5.2. Release by Participating Class Members: As of the Effective Date, all Participating Class Members fully and finally release the Released Parties from any and all Released Class Claims. The Released Class Claims include, but are not limited to, all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and ascertained in the course of the Action. The Released Class Claims include, without limitation, all claims for unpaid wages, including, but not limited to, failure to pay minimum wages; failure to pay straight time compensation, overtime compensation, double-time compensation, reporting time compensation, and/or interest, and/or failure to pay overtime compensation at the regular rate of pay; missed, late, short and/or interrupted meal and/or rest periods, including any claim for any alleged failure to pay premiums for missed, late, short and/or interrupted meal and/or rest periods, or to pay such premiums at the regular rate of compensation, reimbursement for business expenses or any other claim that CFC allowed or required employees to bear any of the costs associated with the operation of CFC's business; inaccurate or otherwise improper wage statements and/or failure to keep or maintain accurate records; any claim for unfair business practices arising out of, arising in connection with, or related to any or all of the aforementioned claims;; and attorneys' fees and costs. The Released Class Claims include all such claims above arising under the California Labor Code (including, but not limited to, sections 200, 201, 202, 203, 204, 210, 218, 218.5, 218.6, 226, , 226.7, 510, 512, , 1174, 1174.5, 1194, 1194.2, 1197, , 1198, 1199, 2802, and 2810.5; the Wage Orders of the California Industrial Welfare Commission as they apply to the facts alleged in the Operative Complaint; California Business and Professions Code section 17200, et seq.; the California Civil Code sections 3287, and 3289 as they apply to the recovery for the claims alleged in the Operative Complaint; and California Code of Civil Procedure § 1021.5 as it applies to the recovery for the claims alleged in the Operative Complaint.) In addition, Participating Class Members who endorse their settlement checks waive and release any claims under the Fair Labor Standards Act, 29 U.S.C. § 201 et seq. ("FLSA") that reasonably could have been alleged based on the facts stated in the Operative Complaint arising during the Class Period. This release excludes the release of claims not permitted to be released by law.

5.2.1. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. <u>Release by PAGA Members:</u> As of the Effective Date, all PAGA Members, including Non-Participating Class Members who qualify as PAGA Members, fully and finally release the Released Parties, and the LWDA, from any and all Released PAGA Claims. The Released PAGA Claims include, but are not limited to, all claims for civil penalties under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *et seq.* ("PAGA") that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, the PAGA Notice, and ascertained in the course of the Action, including claims for unpaid wages, including, but not limited to, failure to pay minimum wages; failure to pay straight time compensation, overtime compensation, double-time compensation, reporting time compensation, and/or interest, and/or failure to pay overtime compensation at the regular rate of pay; missed, late, short and/or interrupted meal and/or rest periods, including any claim for any alleged failure to pay premiums for missed, late, short and/or interrupted meal and/or rest periods, or to pay such premiums at the regular rate of compensation, reimbursement for business expenses or any other claim that CFC allowed or required employees to bear any of the costs associated with the operation of CFC's business; inaccurate or otherwise improper wage statements and/or failure to keep or maintain accurate records; any claim for unfair business practices arising out of, arising in connection with, or related to any or all of the aforementioned claims; any claim for statutory or civil penalties arising out of, arising in connection with, or related to any or all of the aforementioned claims, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, liquidated damages, and waiting-time penalties; and attorneys' fees and costs. The Released PAGA Claims include all such claims for civil penalties under PAGA arising under California Labor Code sections 200, 201, 202, 203, 204, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.* and 2699 *et seq.*), 2802, and 2810.5; and the Wage Orders of the California Industrial Welfare Commission as they apply to the facts alleged in the Operative Complaint. This release excludes the release of claims not permitted to be released by law.

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

6.1. <u>Plaintiff's Responsibilities</u>. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA

Settlement under Labor Code section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members or the Administrator; (vi) a signed declaration from Class Counsel attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (*l*)(1)), this Agreement (Labor Code section 2699, subd. (*l*)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Responsibilities of Counsel. Class Counsel is responsible for preparing the Motion for Preliminary Approval for Defendant's review no later than forty-five (45) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; filing the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

7. <u>SETTLEMENT ADMINISTRATION.</u>

7.1. <u>Selection of Administrator</u>. 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 payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. <u>Employer Identification Number</u>. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3. <u>Class Workweeks and PAGA Member Pay Periods</u>. Based on a review of its records to date, CFC estimates as of the date of mediation, there are 136 Class Members who collectively worked a total of 19,787 Workweeks, and 71 PAGA Members who worked a total of 8,170 PAGA Pay Periods.

7.4. <u>Class Data</u>. Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement, CFC will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. CFC 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 CFC must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

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

7.6. Notice to Class Members.

7.6.1. 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 as soon as practicable, but no later than within seven (7) days, shall notify Class Counsel of the number of Class Members, PAGA Members, Workweeks, and PAGA Pay Periods in the Class Data.

7.6.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data or after CFC makes its election under Paragraph 8 (whichever is later), the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as "Exhibit A." The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.6.3. 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 re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

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

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

7.7. <u>Requests for Exclusion (Opt-Outs).</u>

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

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

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

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

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

7.9. Objections to Settlement.

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

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

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

7.10. 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.

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

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

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

Requests for Exclusion and objections received.

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

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

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

8. <u>CLASS SIZE ESTIMATES and ESCALATOR CLAUSE</u>. Based on its records, CFC estimates that, as of the date of mediation, (1) there are 136 Class Members and 19,787 total Workweeks during the Class period and (2) there were 71 PAGA Members who worked 8,170 Pay Periods during the PAGA Period. Should the actual number of Workweeks increases by more than 15% from the original estimate of 19,787, less the 213 Workweeks between 19,787 and 20,000 Workweeks CFC already covered as a good faith deposit, (i.e., the total number of Workweeks is more than 22,542), CFC shall increase the Gross Settlement Amount by a proportionate amount (i.e., $19.62 per Workweek above 22,542).

9. <u>CFC'S RIGHT TO WITHDRAW</u>. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, CFC may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if CFC withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement. CFC must notify Class Counsel and the Court of its election to withdraw not later than ten (10) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. <u>MOTION FOR FINAL APPROVAL</u>. Not 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 settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

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

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

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

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

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

12. ADDITIONAL PROVISIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

To Plaintiff:

Kane Moon (SBN 249834)
E-mail: kmoon@moonlawgroup.com
Allen Feghali (SBN 301080)
E-mail: afeghali@moonlawgroup.com
Julie Sohyun Oh (SBN 341157)
E-mail: joh@moonlawgroup.com
MOON LAW GROUP, PC
725 S. Figueroa Street, 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

To CFC:

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
Including Professional Corporations
BRIAN S. FONG, Cal Bar No. 262846
AMANDA E. BECKWITH, Cal Bar No. 312967
JULIA G. REMER, Cal. Bar No. 330559
Four Embarcadero Center, 17th Floor
San Francisco, California 94111-4109
Telephone: 415.434.9100
Facsimile: 415.434.3947
E mail bfong@sheppardmullin.com
abeckwith@sheppardmullin.com
jremer@sheppardmullin.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 that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Plaintiff & Class Representative:

Dated: 3/30/2026

Signed by:
4E0DC901D943437...

By: ______________________________

MIGUEL FLORES

Plaintiff's Counsel:

Dated: 3/30/2026

MOON LAW GROUP, PC

By: ______________________________

Kane Moon
Allen Feghali
Julie Sohyun Oh
Attorneys for Plaintiff

Defendant:

Dated: 3/28/2026

CONTINENTAL FORGE COMPANY, LLC

Signed by:
Olivier Jarrault
C41BC84F0386453...

By: ______________________________

Signature

Olivier Jarrault

Print Name

CEO

Title

Defendant's Counsel:

Dated:

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: ______________________________

Brian S. Fong
Amanda E. Beckwith
Julia G. Remer
Attorneys for Defendant Continental Forge Company, LLC

Plaintiff & Class Representative:

Dated: By: ______________________
MIGUEL FLORES

Plaintiff's Counsel:

Dated: **MOON LAW GROUP, PC**

By: ______________________
Kane Moon
Allen Feghali
Julie Sohyun Oh
Attorneys for Plaintiff

Defendant:

Dated: CONTINENTAL FORGE COMPANY, LLC

By: ______________________
Signature

Olivier Jarrault
Print Name

____
Title

Defendant's Counsel:

Dated: March 27, 2026 **SHEPPARD, MULLIN, RICHTER & HAMPTON LLP**

By: ______________________
Brian S. Fong
Amanda E. Beckwith
Julia G. Remer
Attorneys for Defendant Continental Forge Company, LLC