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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

JESSICA PENETRANTE, individually, and on
behalf of other members of the general public
similarly situated, and as an aggrieved employee
pursuant to the Private Attorneys General Act
("PAGA"),

Plaintiff,

vs.

PRESIDIO COMPONENTS, INC., a California
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 37-2023-00007892-CU-OE-CTL

**JOINT STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE**

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE**

2 This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement
3 Agreement”) is made and entered into by and between Plaintiff Jessica Penetrante (“Plaintiff” or “Class
4 Representative”), as an individual and on behalf of all others similarly situated, and Defendant Presidio
5 Components, Inc. (“Defendant”) (collectively with Plaintiff, the “Parties”).

6 **DEFINITIONS**

7 The following definitions are applicable to this Settlement Agreement. Definitions contained
8 elsewhere in this Settlement Agreement will also be effective:

9 1. “Action” means *Penetrante vs Presidio Components, Inc.*, No. 37-2023-00007892-CU-
10 OE-CTL (San Diego County Superior Court).

11 2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and
12 approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket
13 costs incurred and to be incurred by Class Counsel in the Action, including but not limited to
14 expert/consultant fees, investigation costs, and costs associated with documenting the Settlement,
15 providing any notices required as part of the Settlement or Court order, securing the Court’s approval of
16 the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action.
17 Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement
18 Amount, or Two Hundred Fifty Thousand Dollars (\$250,000). The Attorneys’ Fees and Costs will also
19 mean and include the additional reimbursement of any costs and expenses associated with Class
20 Counsel’s litigation and settlement of the Action, up to Fifteen Thousand Dollars (\$15,000), subject to
21 the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and
22 reimbursement of costs as set forth above.

23 3. “Class Counsel” means Capstone Law APC.

24 4. “Class List” means a complete list of all Class Members that Defendant will diligently
25 and in good faith compile from its records and provide to the Settlement Administrator and Class
26 Counsel within ten (10) business days after Preliminary Approval of this Settlement. The Class List will
27 be formatted in Microsoft Office Excel and will include each Class Member’s full name; most recent
28 mailing address and telephone number; Social Security number; dates of employment; the respective

number of Workweeks that each Class Member worked during the Class Period and PAGA Period; and any other relevant information needed to calculate settlement payments.

5. “Class Member(s)” or “Settlement Class” means all current and former non-exempt employees of Defendant who were employed in the State of California at any time during the period from July 1, 2020 through May 30, 2023.

6. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

7. “Class Period” means the period from July 1, 2020 through July 30, 2023 or the date of Preliminary Approval, whichever date is earlier.

8. “Class Representative Enhancement Payment” means the amount to be paid to Plaintiff in recognition of her effort and work in prosecuting the Action on behalf of Class Members, and for her general release of claims. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000).

9. “Court” means the San Diego County Superior Court.

10. “Defendant” means Defendant Presidio Components, Inc.

11. “Effective Date” means the later of: (a) if no timely objections are filed, or are withdrawn prior to Final Approval, then the date of Final Approval; or (b) if a Class Member files an objection to the Settlement, the Effective Date shall be the sixty-first (61) calendar day after the date of Final Approval, provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an objector, then the Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

12. “Final Approval” means the date on which the Court enters an order granting final approval of the Settlement Agreement.

13. “Gross Settlement Amount” means the Gross Settlement Amount of Seven Hundred Fifty Thousand Dollars (\$750,000), to be paid by Defendant in full satisfaction of all Released Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement Amount, and

1 Settlement Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiff and
2 Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no
3 event will Defendant be liable for more than the Gross Settlement Amount except as otherwise explicitly
4 set forth herein. There will be no reversion of the Gross Settlement Amount to Defendant. Defendant
5 will be separately responsible for any employer payroll taxes required by law, including the employer
6 FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

7 14. "Individual Settlement Payment" means each Participating Class Member's and PAGA
8 Member's respective shares of the Net Settlement Fund and PAGA Fund.

9 15. "Net Settlement Fund" means the portion of the Gross Settlement Amount remaining
10 after deducting the Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the
11 PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be
12 distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to
13 Defendant.

14 16. "Notice of Objection" means a Class Member's valid and timely written objection to the
15 Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full
16 name, signature, address, and telephone number, (b) a written statement of all grounds for the objection
17 accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other
18 documents upon which the objection is based; and (d) a statement whether the objector intends to appear
19 at the final fairness hearing.

20 17. "PAGA Members" means all current and former non-exempt employees of Defendant
21 who were employed in the State of California at any time during the period from March 7, 2022 through
22 May 30, 2023.

23 18. "PAGA Period" means the period from March 7, 2022 through July 30, 2023 or the date
24 of Preliminary Approval, whichever date is earlier.

25 19. "PAGA Settlement Amount" means the amount that the Parties have agreed to pay to
26 the Labor and Workforce Development Agency ("LWDA") and PAGA Members in connection with
27 Plaintiff's claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698,
28 *et seq.*, "PAGA") ("PAGA Settlement"). The Parties have agreed that Twenty Five Thousand Dollars

1 (\$25,000) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to
2 PAGA, Seventy-Five Percent (75%), or Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750), of
3 the PAGA Settlement Amount will be paid to the California Labor and Workforce Development
4 Agency (“Labor and Workforce Development Agency Payment”), and Twenty-Five Percent (25%), or
5 Six Thousand Two Hundred Fifty Dollars (\$6,250) (“PAGA Fund”), of the PAGA Settlement will be
6 disbursed to PAGA Members, and regardless whether they request to be excluded from the Settlement
7 Class.

8 20. “Parties” means Plaintiff and Defendant collectively.

9 21. “Participating Class Members” means all Class Members who do not submit timely and
10 valid Requests for Exclusion.

11 22. “Plaintiff” means Plaintiff Jessica Penetrante.

12 23. “Preliminary Approval” means the date on which the Court enters an order granting
13 preliminary approval of the Settlement Agreement.

14 24. “Released Class Claims” means all statutory, constitutional, contractual or common law
15 claims for wages, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest,
16 attorneys’ fees, litigation costs, restitution, or equitable relief, for the following categories of allegations:
17 (a) all claims for failure to pay wages for hours worked, including minimum wage, regular wages,
18 overtime pay and double time pay, claims of failure to properly calculate the overtime rate of pay to
19 include bonus or incentive compensation, and claims for failure to pay wages at least twice per month,
20 and related violations of the California Labor Code or industrial wage orders that could reasonably have
21 been alleged based on the facts alleged in the operative Complaint during the Class Period; (b) all claims
22 for failure to pay the minimum wage in accordance with applicable law; (c) all claims for the failure to
23 provide meal and/or rest periods in accordance with applicable law, including payments for missed meal
24 and/or rest periods and alleged non-payment of wages or premium pay for meal periods and rest periods
25 worked and not taken; (d) all claims for the underpayment or nonpayment of wages from employees as a
26 result of Presidio’s payroll and timekeeping policies and procedures; (e) claims of failure to properly
27 document meal periods, provide second meal periods or third rest periods; (f) claims of unlawful
28 rounding of employee time and failure to pay for work off the clock; (g) any and all claims for

1 recordkeeping or pay stub violations under Lab. Code § 226, (h) waiting time penalties and all other
2 statutory penalties alleged in the complaint, including claims for statutory penalties under Labor Code
3 §210 and claims for liquidated damages under Labor Code §1194.2; and (i) all claims for damages
4 recoverable under the California Unfair Competition Act, and in particular, California Bus. & Prof. Code
5 §§ 17200 *et seq.*, California Code of Civil Procedure § 1021.5, and any other provision of the California
6 Labor Code or any applicable California Industrial Welfare Commission Wage Orders based on the
7 preceding categories of allegations

8 25. “Released PAGA Claims” means all claims for civil penalties under California Labor
9 Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the Released
10 Class Claims.

11 26. “Released Parties” means Defendant, its former and present parents, subsidiaries, and
12 affiliates, and their current and former officers, directors, employees, partners, shareholders and agents,
13 and the predecessors and successors, assigns, and legal representatives, accountants, auditors or
14 consultants of all such entities and individuals, if any.

15 27. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a
16 request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the
17 name, address, telephone number and last four digits of the Social Security Number of the Class
18 Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement
19 Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement;
20 and (e) be faxed or postmarked on or before the Response Deadline.

21 28. “Response Deadline” means the deadline by which Class Members must postmark or
22 fax to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the
23 calculation of Individual Settlement Payments, or postmark Notices of Objection to the Settlement
24 Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of
25 the Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a
26 Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which
27 the U.S. Postal Service is open.

28 29. “Settlement Administration Costs” means the costs payable from the Gross Settlement

1 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
2 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross
3 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
4 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,
5 any such costs in excess of the amount represented by the Settlement Administrator as being the
6 maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of
7 approximately Two Hundred and Fifty (250) Class Members, the Settlement Administration Costs are
8 currently estimated to be Seven Thousand Two Hundred and Fifty Dollars (\$7,250).

9 30. "Settlement Administrator" means Phoenix Class Action Administration Solutions, or
10 any other third-party class action settlement administrator agreed to by the Parties and approved by the
11 Court for the purposes of administering this Settlement. The Parties each represent that they do not have
12 any financial interest in the Settlement Administrator or otherwise have a relationship with the
13 Settlement Administrator that could create a conflict of interest.

14 31. "Workweeks" means the number of weeks during which each Class Member worked
15 for Defendant during the Class Period and/or PAGA Period, which is based on the employees' actual
16 data and the workweek schedule, which is Monday to Sunday. If an employee worked at least once
17 during that 7-day period, it is considered one workweek. All Class Members will be credited with at least
18 one Workweek during the Class Period, and all PAGA Members will be credited with at least one
19 Workweek during the PAGA Period.

20 TERMS OF AGREEMENT

21 The Plaintiff, on behalf of herself and the Settlement Class, and Defendant agree as follows:

22 32. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of
23 the Gross Settlement Amount of Seven Hundred Fifty Thousand Dollars (\$750,000) into a Qualified
24 Settlement Account to be established by the Settlement Administrator. Defendant will pay the
25 employer's share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will
26 be used for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development Agency
27 Payment; (c) the Class Representative Enhancement Payment; (d) Attorneys' Fees and Costs; and (e)
28 Settlement Administration Costs. Defendant will deposit the Gross Settlement Amount and the

1 employer's share of payroll taxes within twenty-one (21) calendar days of the Effective Date ("Funding
2 Date").

3 33. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or
4 motion by Class Counsel for Attorneys' Fees and Costs of not more than Two Hundred Fifty Thousand
5 Dollars (\$250,000), plus the reimbursement of all out-of-pocket costs and expenses associated with Class
6 Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs,
7 etc.), not to exceed Fifteen Thousand Dollars (\$15,000), both of which will be paid from the Gross
8 Settlement Amount.

9 34. Class Representative Enhancement Payment. In exchange for a general release, and in
10 recognition of her effort and work in prosecuting the Action on behalf of Class Members, Defendant
11 agrees not to oppose or impede any application or motion for a Class Representative Enhancement
12 Payment of up to Ten Thousand Dollars (\$10,000), to Plaintiff. The Class Representative Enhancement
13 Payment will be paid from the Gross Settlement Amount and will be in addition to Plaintiff's Individual
14 Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to
15 pay any and all applicable taxes on the Class Representative Enhancement Payment. Plaintiff
16 understands and agrees that this Settlement Agreement shall remain in full force and effect even if the
17 full amount of Class Representative Enhancement Payment sought by Plaintiff is not ultimately awarded
18 by the Court.

19 35. Settlement Administration Costs. The Settlement Administrator will be paid for the
20 reasonable costs of administration of the Settlement and distribution of payments from the Gross
21 Settlement Amount, which is currently estimated to be Seven Thousand Two Hundred and Fifty Dollars
22 (\$7,250). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the
23 required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms,
24 distributing Class Notices, calculating and distributing the Gross Settlement Amount, and providing
25 necessary reports and declarations.

26 36. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
27 of Twenty Five Thousand Dollars (\$25,000) from the Gross Settlement Amount will be designated for
28 satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Eighteen

Thousand Seven Hundred Fifty Dollars (\$18,750), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or Six Thousand Two Hundred Fifty Dollars (\$6,250), will be paid to PAGA Members in proportion to the number of Workweeks worked during the PAGA Period.

37. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that no PAGA Member has the right to object to the PAGA Settlement Amount.

38. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendant.

39. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No portion of the PAGA Fund will revert to or be retained by Defendant.

40. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations of Individual Settlement Payments will be made as follows:

40(a) Payments from the Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated "Individual Settlement Payment" from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's "Individual Settlement Payment" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required

1 deductions for each Participating Class Member as specifically set forth
2 herein, including employee-side tax withholdings or deductions. The entire
3 Net Settlement Fund will be disbursed to all Class Members who do not
4 submit timely and valid Requests for Exclusion. If there are any valid and
5 timely Requests for Exclusion, the Settlement Administrator shall
6 proportionately increase the Individual Settlement Payment for each
7 Participating Class Member according to the number of Workweeks
8 worked, so that the amount actually distributed to the Settlement Class
9 equals 100% of the Net Settlement Fund.

10 40(b) Payments from the PAGA Fund. Defendant will calculate the total number
11 of Workweeks worked by each PAGA Member during the PAGA Period
12 and the aggregate total number of Workweeks worked by all PAGA
13 Members during the PAGA Period. To determine each PAGA Member's
14 estimated "Individual Settlement Payment," the Settlement Administrator
15 will use the following formula: The PAGA Fund will be divided by the
16 aggregate total number of Workweeks, resulting in the "PAGA Workweek
17 Value." Each PAGA Member's "Individual Settlement Payment" will be
18 calculated by multiplying each individual PAGA Member's total number of
19 Workweeks by the PAGA Workweek Value. The entire PAGA Fund will
20 be disbursed to all PAGA Members.

21 41. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
22 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
23 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any
24 Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)
25 plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.
26 Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions,
27 or amounts to which any Class Members may be entitled under any benefit plans.

28 42. Administration Process. The Parties agree to cooperate in the administration of the

1 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
2 administration of the Settlement.

3 43. Delivery of the Class List. Within ten (10) business days of service of the Order granting
4 Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

5 44. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class
6 List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via
7 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class
8 List.

9 45. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
10 Administrator will perform a search based on the National Change of Address Database for information
11 to update and correct for any known or identifiable address changes. Any Class Notices returned to the
12 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly
13 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
14 Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is
15 provided, the Settlement Administrator will promptly attempt to determine the correct address using a
16 skip-trace, or other search using the name, address and/or Social Security number of the Class Member
17 involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed
18 Class Notice, whether by skip-trace or by request, will have either (a) an additional fifteen (15) calendar
19 days or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an
20 objection to the Settlement.

21 46. Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will
22 provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal
23 terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of Workweeks each
24 respective Class Member and PAGA Member worked for Defendant during the Class Period and PAGA
25 Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment and
26 the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class
27 Period and PAGA Period; (g) instructions on how to submit Requests for Exclusion or Notices of
28 Objection; (h) the deadlines by which the Class Member must postmark or fax Request for Exclusions,

1 or postmark Notices of Objection to the Settlement; and (i) the claims to be released.

2 47. Disputed Information on Class Notices. Class Members will have an opportunity to
3 dispute the information provided in their Class Notices. To the extent Class Members dispute their
4 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
5 Settlement Administrator showing that such information is inaccurate. Defendant's records will be
6 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the
7 Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline,
8 and will be decided within ten (10) business days after the Response Deadline.

9 48. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
10 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
11 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
12 receiving the defective submission to advise the Class Member that his or her submission is defective
13 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have
14 until (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter,
15 whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for
16 Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

17 49. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
18 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
19 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
20 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
21 for Exclusion has been timely submitted.

22 50. Escalator. Defendant represents that there are approximately Two Hundred Thirty-Five
23 (235) Class Members and Twenty-Five Thousand Six Hundred Eleven (25,611) Workweeks as of May
24 30, 2023. If the actual number of Workweeks is Ten Percent (10%) greater than the preceding estimate,
25 then the Net Settlement Fund will be increased on a pro-rata basis equal to the increase in number of
26 Workweeks (e.g., if the actual workweeks are 15% greater than 25,611, than the Net Settlement Fund
27 will increase by 15%).

28 51. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member

1 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
2 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class
3 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the
4 Settlement.

5 52. Releases by Participating Class Members. Upon the Funding Date, and except as to such
6 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
7 together and individually, on their behalf and on behalf of their respective heirs, executors,
8 administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released
9 Parties, or any of them, from each of the Released Class Claims arising during the Class Period.

10 53. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or
11 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,
12 on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys,
13 shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the
14 Released PAGA Claims during the PAGA Period.

15 54. Defendant's Right to Rescind. Defendant will have, in its sole discretion, the right to
16 void and withdraw from the Settlement if, at any time prior to Final Approval, Ten Percent (10%) or
17 more of Class Members opt out of the settlement. Defendant must exercise this right of rescission in
18 writing to Class Counsel within fourteen (14) calendar days after the Response Deadline. If the option to
19 rescind is exercised, then Defendant will be solely responsible for all Settlement Administration Costs
20 incurred to the date of rescission.

21 55. Objection Procedures. To object to the Settlement Agreement, a Class Member may
22 either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
23 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object either by
24 submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be
25 deemed to have waived all objections to the Settlement and will be foreclosed from making any
26 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the
27 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written
28 objections to the Settlement Agreement or appeal from the final approval order and judgment. Class

1 Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a
2 Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for
3 Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the
4 Class Member shall not participate in or be bound by the Settlement.

5 56. Certification Reports Regarding Individual Settlement Payment Calculations. The
6 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that
7 certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to
8 the Settlement, and whether any Class Member has submitted a challenge to any information contained
9 in their Class Notice. Additionally, the Settlement Administrator will provide to counsel for both Parties
10 any updated reports regarding the administration of the Settlement Agreement as needed or requested.

11 57. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days
12 of the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class
13 Members and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and
14 (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved
15 services performed in connection with the Settlement.

16 58. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment
17 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for
18 more than one hundred and eighty (180) calendar days after issuance will be tendered to Access Youth
19 Academy ("AYA"). The Parties do not have a connection to or a relationship with AYA that could
20 reasonably create the appearance of impropriety as between the selection of AYA as the recipient of the
21 unclaimed residuals and the interests of the class.

22 59. Certification of Completion. Upon completion of administration of the Settlement, the
23 Settlement Administrator will provide a written declaration under oath to certify such completion to the
24 Court and counsel for all Parties.

25 60. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
26 be allocated as follows: (a) Twenty Percent (20%) of each Individual Settlement Payment will be
27 allocated as wages for which IRS Forms W-2 will be issued; and (b) Eighty Percent (80%) will be
28 allocated as non-wages for which IRS Forms 1099-MISC will be issued.

1 61. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
2 will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class
3 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
4 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
5 and penalties to the appropriate government authorities.

6 62. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect
7 of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on
8 any statement, representation, or calculation by Defendant or by the Settlement Administrator in this
9 regard.

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

1 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
2 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
3 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
4 AGREEMENT.

5 64. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
6 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
7 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
8 action or right herein released and discharged.

9 65. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally
10 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other
11 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
12 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
13 likewise be treated as void from the beginning.

14 66. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request
15 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order
16 for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) preliminary
17 approval of the proposed Settlement Agreement, (c) setting a date for a final fairness hearing. The
18 Preliminary Approval Order will provide for the Class Notice to be sent to all Class Members as
19 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this
20 Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed
21 Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting
22 all documents necessary to obtain preliminary approval.

23 67. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
24 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
25 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
26 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b)
27 the Class Representative Enhancement Payment; (c) Individual Settlement Payments; (d) the Labor and
28 Workforce Development Agency Payment; (e) all Settlement Administration Costs. The final fairness

1 hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel
2 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also
3 be responsible for drafting the attorneys' fees and costs application to be heard at the final approval
4 hearing.

5 68. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
6 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its
7 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
8 addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement
9 administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as
10 set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement
11 Administrator's website.

12 69. Release by Plaintiff. Upon the Funding Date, in addition to the claims being released by
13 all Participating Class Members, Plaintiff will release and forever discharge the Released Parties, to the
14 fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not
15 asserted, which Plaintiff has or may have against the Released Parties as of the date of execution of this
16 Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the
17 California Civil Code or similar provisions of other applicable law may apply, Plaintiff expressly waives
18 any and all rights and benefits conferred upon her by the provisions of Section 1542 of the California
19 Civil Code or similar provisions of applicable law which are as follows:

20 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
21 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
22 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE
23 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
24 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
25 PARTY.

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

1 71. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
2 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
3 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section
4 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is
5 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
6 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
7 contradict the terms of this Settlement Agreement.

8 72. Amendment or Modification. No amendment, change, or modification to this Settlement
9 Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved
10 by the Court.

11 73. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
12 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
13 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
14 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
15 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
16 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
17 reach agreement on the form or content of any document needed to implement the Settlement, or on any
18 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
19 may seek the assistance of the Court to resolve such disagreement.

20 74. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
21 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

22 75. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
23 will be governed by and interpreted according to the laws of the State of California.

24 76. Execution and Counterparts. This Settlement Agreement is subject only to the execution
25 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
26 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned
27 copies of the signature page, will be deemed to be one and the same instrument.

28 77. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this

1 Settlement Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this
2 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account
3 all relevant factors, present and potential. The Parties further acknowledge that they are each represented
4 by competent counsel and that they have had an opportunity to consult with their counsel regarding the
5 fairness and reasonableness of this Settlement.

6 78. Invalidity of Any Provision. Before declaring any provision of this Settlement
7 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
8 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
9 valid and enforceable.

10 79. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
11 certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may
12 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,
13 and either party may appeal any court order that materially alters the Settlement Agreement's terms.

14 80. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to
15 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
16 approved, the stipulation to certification will be void. The Parties further agree that certification for
17 purposes of the Settlement is not an admission that class action certification is proper under the standards
18 applied to contested certification motions and that this Settlement Agreement will not be admissible in
19 this or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendant
20 is liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

21 81. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
22 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In
23 entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any
24 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or
25 any other applicable laws, regulations or legal requirements; breached any contract; violated or breached
26 any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with
27 respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any
28 of the negotiations connected with it, will be construed as an admission or concession by Defendant of

1 any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to
2 enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be
3 offered or received as evidence in any action or proceeding to establish any liability or admission on the
4 part of Defendant or to establish the existence of any condition constituting a violation of, or a non-
5 compliance with, federal, state, local or other applicable law.

6 82. No Public Comment: The Parties and their counsel agree that they will not issue any
7 press releases, initiate any contact with the press, respond to any press inquiry, or have any
8 communication with the press about the fact, amount or terms of the Settlement.

9 83. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
10 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
11 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

12 84. Enforcement Actions. In the event that one or more of the Parties institutes any legal
13 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
14 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
15 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
16 expert witness fees incurred in connection with any enforcement actions.

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

22 86. Representation By Counsel. The Parties acknowledge that they have been represented
23 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
24 that this Settlement Agreement has been executed with the consent and advice of counsel. Further,
25 Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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

28 88. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good

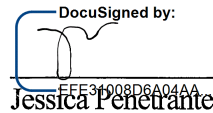
1 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
 2 Settlement Agreement.

3 89. Binding Agreement. The Parties warrant that they understand and have full authority to
 4 enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
 5 enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in
 6 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
 7 otherwise might apply under federal or state law.

8 **READ CAREFULLY BEFORE SIGNING**

9 **PLAINTIFF**

10 Dated: 7/5/2023

11  DocuSigned by:
 12 Jessica Penetrante

13 **DEFENDANT PRESIDIO COMPONENTS, INC.**

14 Dated: 7.5.2023

15 
 16 Lambert Devoe, Chief Financial Officer

17 **APPROVED AS TO FORM**

18 **CAPSTONE LAW APC**

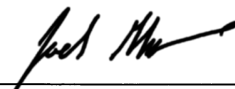
19 Dated: July 5, 2023

20 By: 
 21 Raul Perez

22 Attorneys for Plaintiff Jessica Penetrante

23 **JOEL GLASER APC**

24 Dated: July 5, 2023

25 By: 
 26 Joel Glaser

27 Attorneys for Defendant Presidio Components, Inc.

Exhibit A

Penetrante vs Presidio Components, Inc., No. 37-2023-00007892-CU-OE-CTL
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF SAN DIEGO
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All current and former non-exempt employees of Defendant Presidio Components, Inc. (“Defendant”) who were employed in the State of California at any time during the period from July 1, 2020 through May 30, 2023 (“Class Members”).

All current and former non-exempt employees of Defendant who were employed in the State of California at any time during the period March 7, 2022 through May 30, 2023 (“PAGA Members”).

On _____, the Honorable Timothy B. Taylor of the San Diego County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at __:00 __.m. on _____, 2023 in Department C-72 of the San Diego County Superior Court located at 330 W. Broadway, San Diego, California 92101.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Fund and PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims and PAGA penalty claims against Defendant based on the facts alleged in the Action during the applicable Class Period and PAGA Period.
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.
The Opt-out Deadline is [DATE]	You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against Defendants based on the facts alleged in the Action during the PAGA Period.

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed class settlement, but not the PAGA settlement.
You Can Participate in the [DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [DATE] in Department C-72 of the San Diego County Superior Court located at 330 W. Broadway, San Diego, California 92101. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement.

Summary of the Litigation

Plaintiff Jessica Penetrante, on her behalf and on behalf of other current and former non-exempt employees, alleges that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; and (4) provide employees with accurate, itemized wage statements.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On May 30, 2023, the parties participated in a mediation with Jeffrey Krivis, Esq., an experienced and well-respected class action mediator. With Mr. Krivis’s guidance, the parties were able to negotiate a complete settlement of Plaintiff’s claims.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff’s claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiff.

Summary of The Proposed Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$750,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Jessica Penetrante for her services on behalf of the class, and for a release of all claims arising out of her employment with Defendant; (3) \$250,000 in attorneys’ fees and up to \$_ in litigation costs and expenses; (4) a \$25,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), inclusive of a \$18,750 payment to the California Labor and Workforce Development Agency (“LWDA”)

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

in connection with the PAGA, and a \$6,250 payment (“PAGA Fund”) to all PAGA Members; and (5) reasonable Settlement Administrator’s fees and expenses currently estimated at \$15,000. After deducting the above payments, a total of approximately \$_____ will be allocated to Class Members who do not opt out of the Settlement Class (“Net Settlement Fund”). Additionally, all PAGA Members will receive a proportional share of the \$6,250 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member from July 1, 2020 through [July 30, 2023 or the date of Preliminary Approval, whichever date is earlier] (“Class Period”) and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member’s estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the “Workweek Value.” Each Class Member’s share of the Net Settlement Fund will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member’s share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendant’s records, you worked during the Class Period in a non-exempt position for a total of _____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$_____.

Payments from PAGA Fund. Defendant will calculate the total number of Workweeks worked by each PAGA Member from March 7, 2022 through [July 30, 2023 or the date of Preliminary Approval, whichever date is earlier] (“PAGA Period”) and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member’s estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the “PAGA Workweek Value.” Each PAGA Member’s share of the PAGA Fund will be calculated by multiplying each individual PAGA Member’s total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he or she submits a valid Request for Exclusion.

According to Defendant’s records, you worked during the PAGA Period in a non-exempt position for a total of _____ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$_____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$_____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o _____
Fax No. _____

If you dispute the information stated above, Defendant’s records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

settlement, 20% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 80% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – *Automatically Receive a Payment from the Settlement*

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims:

Released Class Claims: All claims, rights, demands, liabilities, and causes of action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth in the operative complaint during the Class Period, including: (a) all claims for failure to pay wages for hours worked, including minimum wage, regular wages, overtime pay and double time pay, claims of failure to properly calculate the overtime rate of pay to include bonus or incentive compensation, and claims for failure to pay wages at least twice per month, and related violations of the California Labor Code or industrial wage orders that could reasonably have been alleged based on the facts alleged in the operative Complaint during the Class Period; (b) all claims for failure to pay the minimum wage in accordance with applicable law; (c) all claims for the failure to provide meal and/or rest periods in accordance with applicable law, including payments for missed meal and/or rest periods and alleged non-payment of wages or premium pay for meal periods and rest periods worked and not taken; (d) all claims for the underpayment or nonpayment of wages from employees as a result of Defendant's payroll and timekeeping policies and procedures; (e) claims of failure to properly document meal periods, provide second meal periods or third rest periods; (f) claims of unlawful rounding of employee time and failure to pay for work off the clock; (g) any and all claims for recordkeeping or pay stub violations under Lab. Code § 226; (h) waiting time penalties and all other statutory penalties alleged in the complaint, including claims for statutory penalties under Labor Code § 210 and claims for liquidated damages under Labor Code § 1194.2; and (i) all claims for damages recoverable under the California Unfair Competition Act, and in particular, California Bus. & Prof. Code §§ 17200 *et seq.*, California Code of Civil Procedure § 1021.5, and any other provision of the California Labor Code or any applicable California Industrial Welfare Commission Wage Orders based on the preceding categories of allegations.

Released PAGA Claims: All claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts alleged in Plaintiff's LWDA letter during the PAGA Period.

Option 2 – *Opt Out of the Settlement*

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

The Request for Exclusion must be postmarked or faxed not later than _____, 2023. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2023, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Member, you will still release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than _____ 2023. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only. You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of San Diego and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez

Capstone Law APC

1875 Century Park E., Suite 1000

Los Angeles, CA 90067

Phone: 1 (888) 585-4543

Phoenix Class Action Administrative Solutions

Direct: (949) 344-8851

Ofc: (800) 523-5773

Fax: (949) 209-2503

Email: jarrod@phoenixclassaction.com

1411 N. Batavia St. Suite 105

Orange, CA 92867

www.phoenixclassaction.com

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE, WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******