

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

This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or “Settlement Agreement”) is made and entered into by and between Plaintiffs Clemente Garcia (“Plaintiff Garcia”) and Angelica Aguallo (“Plaintiff Aguallo”) (together, “Plaintiffs” or “Class Representatives”), individually, and on behalf of all others similarly situated and on behalf of the State of California with respect to aggrieved employees, and Defendants Bacari CC Inc; Bacari Americana, Incorporated; Bacari MC Incorporated; Bacari PDR, LLC; and Bacari Operations, LLC (collectively, “Defendants”) (collectively, Plaintiffs and Defendants are referred to as “Parties” and individually as “Party”).

This Settlement Agreement shall be binding on Plaintiffs, Settlement Class Members (as defined herein), the State of California as to the employment of PAGA Employees (as defined herein), and Defendants, subject to the terms and conditions hereof and the approval of the Court.

**RECITALS**

1. On March 23, 2022, Plaintiff Aguallo filed a Class Action Complaint in the action entitled *Angelica Aguallo v. Bacari PDR, LLC*, Los Angeles County Superior Court Case No. 22STCV10062 (“Action”), thereby commencing a putative class action.

2. On March 31, 2022, Plaintiff Aguallo provided written notice to the Labor and Workforce Development Agency (“LWDA”) by online submission and to Defendants by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor Code alleged to have been violated by Defendants (“Aguallo PAGA Letter”).

3. On June 6, 2022, Plaintiff Aguallo filed a First Amended Class Action Complaint in the Action, which added one cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* (“PAGA”).

4. On May 16, 2023, Plaintiff Garcia provided written notice to the LWDA by online submission and to Defendants by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor Code alleged to have been violated by Defendants (“Garcia PAGA Letter”).

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1           5.       On May 25, 2023, Plaintiff Garcia filed a Class Action Complaint for Damages in the  
2 action entitled *Clemente Garcia v. Bacari CC Inc, et al.*, Los Angeles County Superior Court Case  
3 No. 23STCV11883 (“Garcia Class Action”), thereby commencing a putative class action.

4           6.       On June 17, 2023, Plaintiff Garcia filed a Complaint for Enforcement Action Under  
5 the Private Attorneys General Act, California Labor Code §§ 2698 Et Seq. in the action entitled  
6 *Clemente Garcia v. Bacari CC Inc., et al.*, Los Angeles County Superior Court Case No.  
7 23STCV16668 (“Garcia PAGA Action”), which alleged one cause of action under PAGA.

8           7.       On December 18, 2023, Plaintiff Aguallo filed a Second Amended Class Action  
9 Complaint in the Action, which added Bacari Americana, Incorporated; Bacari CC Inc; Bacari MC  
10 Incorporated; and Bacari Operations, LLC as named defendants and causes of action for Failure to  
11 Pay Overtime Wages; Failure to Pay Minimum Wages; Failure to Timely Pay Wages Earned During  
12 Employment; and Failure to Reimburse Business Related Expenses.

13           8.       The Parties have agreed to file a Third Amended Class Action Complaint (“Operative  
14 Complaint”) in the Action to add Plaintiff Garcia as a named plaintiff and the claims alleged in the  
15 Garcia Class Action and Garcia PAGA Action. The Operative Complaint alleges eleven (11) causes  
16 of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay  
17 overtime wages, failure to provide compliant meal periods and premium payments in lieu thereof,  
18 failure to provide compliant rest periods and premium payments in lieu thereof, failure to timely pay  
19 wages during employment, failure to provide compliant wage statements, conversion, and failure to  
20 reimburse necessary business expenses, for violations of California Business & Professions Code  
21 Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil  
22 penalties under PAGA based on the aforementioned California Labor Code violations.

23           9.       On or about February 2, 2023, Bacari PDR, LLC, Bacari Americana, Inc., Bacari MC,  
24 Inc., and Bacari CC, Inc. (collectively referred to as the “Disappearing Entities”) merged into Bacari  
25 Operations, LLC (“Bacari Operations” or the “Surviving Entity”). Bacari Operations is the successor  
26 by merger to the Disappearing Entities named as a defendants in the Actions.

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1           10. Defendants deny all material allegations set forth in the Action, Garcia Class Action,  
2 and Garcia PAGA Action (collectively, “Actions”) and have asserted numerous affirmative defenses.  
3 Notwithstanding, in the interest of avoiding further litigation, Defendants desire to fully and finally  
4 settle the Actions, Released Class Claims (as defined herein), and Released PAGA Claims (as defined  
5 herein).

6           11. Class Counsel diligently investigated the class and PAGA claims against Defendants,  
7 including any and all applicable defenses and the applicable law. The investigation included, *inter*  
8 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.  
9 The Parties have engaged in sufficient formal and informal discovery and investigation to assess the  
10 relative merits of the claims and contentions of the Parties.

11           12. On June 24, 2024, the Parties participated in mediation with Christopher Barnes, Esq.  
12 (the “Mediator”), a respected mediator of complex wage and hour actions, which did not result in a  
13 settlement at that time.

14           13. On July 30, 2025, the Parties participated in a second mediation with the Mediator, and  
15 with the assistance of the Mediator’s evaluations, the Parties reached the settlement that is  
16 memorialized herein. The Parties’ settlement discussions were conducted at arms’ length, and the  
17 Settlement is the result of an informed and detailed analysis of Defendants’ potential liability and  
18 exposure in relation to the costs and risks associated with continued litigation. Based on Class  
19 Counsel’s investigation and evaluation, Class Counsel believes that the settlement with Defendants  
20 for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and  
21 adequate and is in the best interest of the Class Members, State of California, and PAGA Employees  
22 in light of all known facts and circumstances, including the risk of significant delay and uncertainty  
23 associated with litigation and various defenses asserted by Defendants.

24           14. The Parties expressly acknowledge that this Settlement Agreement is entered into  
25 solely for the purpose of compromising significantly disputed claims and that nothing herein is an  
26 admission of liability or wrongdoing by Defendants. If for any reason this Settlement Agreement is  
27 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective  
28 positions.

## DEFINITIONS

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

a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for Class Counsel’s litigation and resolution of the Actions and all actual costs and expenses incurred and to be incurred by Class Counsel in connection with the Actions, as set forth in Paragraph 17.

b. “Class” or “Class Member(s)” means all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the Class Period.

c. “Class Counsel” means Jonathan M. Genish, Barbara DuVan-Clarke, Danielle Ling GruppChang, P.J. Van Ert, Alexandra Rose, and Jasmine Y. Kianfard of Blackstone Law, APC, and Michael J. Jaurigue, S. Sean Shahabi, and Ali M. Sachani of Jaurigue Law Group, who will seek to be appointed counsel for the Class.

d. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security number; (4) dates worked for Defendants during the Class Period; and (5) such other information as is necessary for the Settlement Administrator to calculate Workweeks and Pay Periods.

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

f. “Class Period” means the period from March 23, 2018 through July 31, 2025.

g. “Class Settlement” means the settlement and resolution of all Released Class Claims.

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

i. “Defendants’ Counsel” means Alfred J. Landegger, Evelyn Zarraga, and Joseph P. Sklar of Landegger Verano, ALC.

j. “Dispute” means a letter submitted by a Class Member disputing the number of Workweeks and/or Pay Periods which have been credited to them, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to the Class Member and what the Class Member contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

k. “Effective Date” means the following: (i) if no Settlement Class Member objects to the Class Settlement, then the Effective Date will be the date of Final Approval; or (ii) if any Settlement Class Member objects to the Class Settlement, the Effective Date will be the sixty-first (61st) calendar day after the date of Final Approval, provided no appeal is initiated by an objector; or (iii) if a timely appeal is initiated by an objector, then the Effective Date will be the day after final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

l. “Employer Taxes” means the employers’ share of taxes and contributions in connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendants in addition to the Gross Settlement Amount.

m. “Enhancement Payment(s)” means the amounts to be paid to Plaintiffs, in recognition of their effort and work in prosecuting the Actions on behalf of Class Members and PAGA Employees, and general release of claims, as set forth in Paragraph 18.

n. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

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

p. “Final Approval Order and Judgment” means the order granting final approval of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the Parties, and subject to approval by the Court.

q. “Gross Settlement Amount” means the amount of One Million Seven Hundred Ninety-Eight Thousand Five Hundred Ninety-Four Dollars and Zero Cents (\$1,798,594.00) to be paid by Defendants in full satisfaction of the Actions, Released Class Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and Costs, Enhancement Payments, PAGA Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to the Settlement Class Members. Defendants shall pay the Employer Taxes separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Payment will return to Defendants. The Gross Settlement Amount is subject to increase, as provided in Paragraph 21. Defendants have no obligation to pay any portion of the Gross Settlement Amount (or any payroll taxes) prior to the deadlines stated in Paragraph 41 of this Agreement.

r. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be calculated in accordance with Paragraph 23.

s. “Individual Settlement Payment” means the net payment of each Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided in Paragraph 24. Notwithstanding the treatment of the payments to each Settlement Class Member, none of the payments called for by this Agreement, including the wage portions of the Individual Settlement Payments, are to be treated as earnings, wages, pay or compensation for the purpose of any applicable benefit or retirement plan, nor do any payments under this Agreement extend or alter Class Members’ or PAGA Employees’ period of employment for any purpose.

t. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated in accordance with Paragraph 22.

u. “LWDA Payment” means the amount of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 19.

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v. “Net Settlement Amount” means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount less the Court-approved Attorneys’ Fees and Costs, Enhancement Payments, PAGA Amount, and Settlement Administration Costs.

w. “Notice of Objection” means a Settlement Class Member’s written objection to the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

x. “PAGA Amount” means the allocation of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five percent (75%) of the PAGA Amount, or \$75,000.00, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining twenty-five percent (25%), or \$25,000.00, will be distributed to the PAGA Employees (i.e., the PAGA Employee Amount).

y. “PAGA Employee(s)” means all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the PAGA Period.

z. “PAGA Employee Amount” means the amount of Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA Employees on a *pro rata* basis based on their Pay Periods.

aa. “PAGA Letters” means the Aguallo PAGA Letter and Garcia PAGA Letter.

bb. “PAGA Period” means the period from March 31, 2021 through July 31, 2025.

cc. “PAGA Settlement” means the settlement and resolution of all Released PAGA Claims.

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1 dd. "Pay Periods" means the number of pay periods each PAGA Employee worked  
2 for Defendants as an hourly-paid and/or non-exempt employee in California during the PAGA Period.  
3 Pay Periods will be calculated by the Settlement Administrator.

4 ee. "Preliminary Approval" means the date on which the Court enters the  
5 Preliminary Approval Order.

6 ff. "Preliminary Approval Order" means the order granting preliminary approval  
7 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by  
8 the Court.

9 gg. "Released Class Claims" means any and all claims which were alleged or which  
10 could have been reasonably alleged based on the factual allegations in the Operative Complaint,  
11 arising during the Class Period, which shall specifically include claims for Defendants' alleged failure  
12 to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium  
13 payments, timely pay wages during employment and upon termination, provide all accrued gratuities,  
14 provide accurate wage statements, and reimburse necessary business-related expenses in violation of  
15 California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 350, 351, 510, 512(a), 1194,  
16 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare Commission Wage Order, and  
17 California Business and Professions Code sections 17200, *et seq.*

18 hh. "Released PAGA Claims" means any and all claims arising from any of the  
19 factual allegations in the PAGA Letters and the Operative Complaint, arising during the PAGA Period,  
20 for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections  
21 2698 *et seq.*, which shall specifically include claims for Defendants' alleged failure to pay overtime  
22 and minimum wages, provide compliant meal and rest periods and associated premium payments,  
23 timely pay wages during employment and upon termination, provide all accrued gratuities, provide  
24 compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary  
25 business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210,  
26 226(a), 226.7, 350, 351, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the  
27 applicable Industrial Welfare Commission Wage Order.

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1           ii.     “Released Parties” means Defendants and their current and former officers,  
2 directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and  
3 assigns.

4           jj.     “Request for Exclusion” means a letter submitted by a Class Member indicating  
5 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number  
6 of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and  
7 last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class  
8 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the  
9 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

10          kk.     “Response Deadline” means the deadline by which Class Members must submit  
11 a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five  
12 (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to  
13 Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response  
14 Deadline will be extended to the next day on which the United States Postal service is open. The  
15 Response Deadline may also be extended by express agreement between Class Counsel and  
16 Defendants’ Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response  
17 Deadline for that Class Member shall be extended fifteen (15) calendar days from the original  
18 Response Deadline.

19          ll.     “Settlement Administrator” means Apex Class Action LLC, or any other third-  
20 party class action settlement administrator agreed to by the Parties and approved by the Court for  
21 purposes of administering the Settlement. The Parties and their counsel each represent that they do  
22 not have any financial interest in the Settlement Administrator or otherwise have a relationship with  
23 the Settlement Administrator that could create a conflict of interest.

24          mm.    “Settlement Administration Costs” means the costs payable from the Gross  
25 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in  
26 Paragraph 21.

27          nn.     “Settlement Class” or “Settlement Class Member(s)” means all Class Members  
28 who do not submit a timely and valid Request for Exclusion.

oo. “Workweeks” means the number of weeks each Class Member worked for Defendants as an hourly-paid and/or non-exempt employee in California during the Class Period. Workweeks will be calculated by the Settlement Administrator.

#### **CLASS CERTIFICATION**

16. For the purposes of this Settlement only, the Parties stipulate to the certification of the Class.

17. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for whatever reason, the Court not grant Final Approval, the Parties’ stipulation to class certification as part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be inappropriate in a non-settlement context.

#### **TERMS OF THE AGREEMENT**

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

18. Attorneys’ Fees and Costs. Defendants agree not to oppose or impede any application or motion by Class Counsel for attorneys’ fees in the amount up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$629,507.90 if the Gross Settlement Amount is \$1,798,594) and reimbursement of actual costs and expenses associated with Class Counsel’s litigation and settlement of the Actions, in an amount not to exceed Sixty-Five Thousand Dollars and Zero Cents (\$65,000.00), both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation of the Actions, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court’s approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys’ Fees and Costs. Any

1 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel  
2 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

3 19. Enhancement Payments. Defendants agree not to oppose or impede any application or  
4 motion by Plaintiffs for Enhancement Payments in the amount up to Seven Thousand Five Hundred  
5 Dollars and Zero Cents (\$7,500.00) each (total, \$15,000.00). The Enhancement Payments, which will  
6 be paid from the Gross Settlement Amount, subject to Court approval, will be in addition to their  
7 Individual Settlement Payments as Settlement Class Members and Individual PAGA Payments as  
8 PAGA Employees. Plaintiffs shall be solely and legally responsible for correctly characterizing this  
9 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement  
10 Administrator shall issue an IRS Form 1099 to Plaintiffs for the Enhancement Payments. Any portion  
11 of the requested Enhancement Payments that is not awarded by the Court to Plaintiffs shall be  
12 reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

13 20. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of  
14 One Hundred Thousand Dollars and Zero Cents (\$100,000.00) shall be allocated from the Gross  
15 Settlement Amount toward penalties under the Private Attorneys General Act, California Labor Code  
16 Section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$75,000.00,  
17 will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$25,000.00,  
18 will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based  
19 on the total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e.,  
20 the Individual PAGA Payments).

21 21. Settlement Administration Costs. The Settlement Administrator will be paid for the  
22 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,  
23 which is currently estimated not to exceed Seventeen Thousand Five Hundred Dollars and Zero Cents  
24 (\$17,500.00). These costs, which will be paid from the Gross Settlement Amount, subject to Court  
25 approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and  
26 tracking Class Notices and other documents for the Settlement, calculating and distributing payments  
27 due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings,  
28 withholdings, and remittances, providing necessary reports and declarations, and other duties and

responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

22. Escalator Clause. Defendants have represented that the Class Members worked a total of 73,412 Workweeks during the Class Period. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the Class Period actually exceeds 73,412 by more than 5% (i.e., if the Workweeks exceed 77,082), then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 5%. For example, if the number of Workweeks increases by 6% to 77,816 Workweeks, then the Gross Settlement Amount will increase by 1%.

23. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks, as follows:

a. After Preliminary Approval, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield each Class Member's estimated Individual Settlement Share that the Class Member may be entitled to receive under the Class Settlement.

b. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to yield each Settlement Class Member's final Individual Settlement Share.

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1           24.   Individual PAGA Payment Calculations. Individual PAGA Payments will be  
2 calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees'  
3 number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee  
4 Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the  
5 "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period  
6 Value to yield each PAGA Employee's Individual PAGA Payment.

7           25.   Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each  
8 Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty  
9 percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be  
10 reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages  
11 will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement  
12 Administrator will withhold the employee's share of taxes and withholdings with respect to the wages  
13 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their  
14 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes  
15 and withholdings). The Employer Taxes will be paid separately and in addition to the Gross  
16 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)  
17 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

18           26.   Administration of Taxes by the Settlement Administrator. The Settlement  
19 Administrator will be responsible for issuing to Plaintiffs, Settlement Class Members, PAGA  
20 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be  
21 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement  
22 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll  
23 taxes and other legally required withholdings to the appropriate government authorities.

24           27.   Tax Liability. Plaintiffs, Class Counsel, Defendants, and Defendants' Counsel do not  
25 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or  
26 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiffs, Settlement  
27 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation  
28 by Defendants, the Settlement Administrator, or Class Counsel in this regard. Plaintiffs, Settlement

1 Class Members, and PAGA Employees understand and agree that Plaintiffs, Settlement Class  
2 Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties  
3 assessed on the payments described in this Settlement Agreement. Plaintiffs, Settlement Class  
4 Members, and PAGA Employees should consult with their tax advisors concerning the tax  
5 consequences of any payment they receive under the Settlement.

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

29. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiffs, Settlement Class Members, or any PAGA Employee to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiffs, Settlement Class Members, or any PAGA Employee to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

30. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement. Plaintiffs will obtain a hearing date from the Court for Plaintiffs' motion for preliminary approval of the Settlement, which Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide Defendants' Counsel a draft of the preliminary approval motion before filing it with the Court. Defendants agree not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiffs will apply for the entry of the Preliminary Approval Order seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiffs as the representatives of the Class;
- d. Preliminarily appointing Class Counsel as counsel for the Class;
- e. Approving as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing by First Class U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether Final Approval of the Settlement should be granted.

1           31.   Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),  
2 Class Counsel shall notify the LWDA of the Settlement.

3           32.   Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,  
4 Defendants will provide the Class List to the Settlement Administrator.

5           33.   Notice by First-Class U.S. Mail.

6               a.       Within seven (7) calendar days after receiving the Class List from Defendants,  
7 the Settlement Administrator will perform a search based on the National Change of Address Database  
8 or any other similar services available, such as provided by Experian, for information to update and  
9 correct for any known or identifiable address changes, and will mail a Class Notice in English and  
10 Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via  
11 First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement  
12 Administrator.

13               b.       Any Class Notice returned to the Settlement Administrator as undeliverable on  
14 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding  
15 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on  
16 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly  
17 attempt to determine the correct address using a skip-trace or other search, using the name, address,  
18 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)  
19 calendar days.

20               c.       Compliance with the procedures described herein above shall constitute due and  
21 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.  
22 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendants' Counsel to  
23 provide notice of the Settlement.

24           34.   Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an  
25 opportunity to dispute the number of Workweeks and/or Pay Periods which have been credited to  
26 them, as reflected in their respective Class Notices, by submitting a timely and valid Dispute to the  
27 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the  
28 postmark on the return mailing envelope will be the exclusive means to determine whether a Dispute



has been timely submitted. Absent evidence rebutting the accuracy of Defendants' records and data as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class Member, Defendants' records will be presumed to be correct and determinative of the dispute. However, if a Class Member produces information and/or documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

35. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendants' Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be bound to the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

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1           36.   Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class  
2 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by  
3 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing  
4 envelope will be the exclusive means to determine whether a Notice of Objection has been timely  
5 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendants'  
6 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely  
7 and complete and which were not), and also attach them to a declaration that is to be filed with the  
8 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel  
9 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or  
10 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or  
11 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of  
12 whether they have submitted a Notice of Objection.

13           37.   Reports by the Settlement Administrator. The Settlement Administrator shall provide  
14 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed  
15 Class Notices; (ii) the number of Class Members who have submitted Disputes; (iii) the number of  
16 Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class  
17 Members who have submitted Notices of Objection. Additionally, the Settlement Administrator will  
18 provide to counsel for the Parties any updated reports regarding the administration of the Settlement  
19 Agreement as needed or requested, and immediately notify the Parties when it receives a request from  
20 an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a  
21 Dispute.

22           38.   Defendants' Right to Rescind. If more than ten percent (10%) of the Class Members  
23 submit timely and valid Requests for Exclusion, Defendants may elect to rescind the Settlement  
24 Agreement. Defendants must exercise this right of rescission in writing that is provided to Class  
25 Counsel within seven (7) calendar days of the Settlement Administrator notifying the Parties of the  
26 number of Class Members who have submitted timely and valid Requests for Exclusion following the  
27 Response Deadline. If Defendants exercise this option, Defendants shall pay any costs of settlement  
28 administration owed to the Settlement Administrator incurred up to that date.

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

40. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for: (a) Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payments; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiffs and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendants' Counsel a draft of the final approval motion before filing it with the Court. By way of said motion, Plaintiffs will apply for the entry of the Final Approval Order and Judgment, which will provide for, in substantial part, the following:

- a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Certification of the Settlement Class;
- c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- d. Approval of the application for Enhancement Payments to Plaintiffs;
- e. Directing Defendants to fund all amounts due under the Settlement Agreement and ordered by the Court; and
- f. Entering judgment in the Action, while maintaining continuing jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

41. Funding of the Gross Settlement Amount. Defendants shall pay the Gross Settlement Amount in two (2) installments as follows:

- a. First Installment: No later than sixty (60) calendar days after Final Approval or July 31, 2026, whichever is later, Defendants will deposit half of the Gross Settlement Amount (i.e., \$899,297.00) ("First Installment") into a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established by the Settlement Administrator. Defendants shall provide all information

necessary for the Settlement Administrator to calculate necessary payroll taxes including their official names, 8-digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator.

b. Second Installment: No later than six (6) months after the First Installment or February 28, 2027, whichever is later, Defendants will deposit the remaining half of the Gross Settlement Amount (i.e., \$899,297.00) and Employer Taxes (“Second Installment”) into the QSF.

c. Following the receipt of the Settlement Administrator’s payment instructions, Defendants shall issue the payment of the Gross Settlement Amount and Defendants’ share of payroll taxes in accordance with the deadlines set forth in this Agreement. Defendants’ payment obligations with respect to the Gross Settlement Amount and Defendants’ share of payroll taxes shall be met upon initiating the electronic transfer of funds in the amounts provided for in this Settlement Agreement pursuant to the Settlement Administrator’s instructions. In the event of an unsuccessful electronic transfer of funds, the Parties agree to cooperate in good faith to resolve the issues.

42. Distribution of the Gross Settlement Amount.

- a. Within five (5) business days of the funding of the First Installment, the Settlement Administrator will issue half of the Individual Settlement Payments to Settlement Class Members, half of the Individual PAGA Payments to PAGA Employees, half of the LWDA Payment to the LWDA, half of the Enhancement Payments to Plaintiffs, half of the Attorneys’ Fees and Costs to Class Counsel, and half of the Settlement Administration Costs to itself.
- b. Within five (5) business days of the funding of the Second Installment, the Settlement Administrator will issue the remaining half of the Individual Settlement Payments to Settlement Class Members, remaining half of the Individual PAGA Payments to PAGA Employees, remaining half of the LWDA Payment to the LWDA, remaining half of the Enhancement Payments to Plaintiffs, remaining half of the Attorneys’ Fees and Costs to Class Counsel, and remaining half of the Settlement Administration Costs to itself. The Settlement Administrator shall also set aside the Employer Taxes and all

1 employee-side payroll taxes, contributions, and withholding, and timely forward these  
2 to the appropriate government authorities.

3 43. Settlement Checks. The Settlement Administrator will be responsible for undertaking  
4 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way  
5 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the  
6 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the  
7 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA  
8 Payment into one check if the intended recipient for both payments is one individual. Settlement Class  
9 Members and PAGA Employees are not required to submit a claim to be issued an Individual  
10 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and  
11 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)  
12 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds  
13 associated with such canceled checks shall be distributed by the Settlement Administrator to the State  
14 of California's Unclaimed Property Division in the name of the Settlement Class Member and/or  
15 PAGA Employee. The Parties agree that this disposition results in no "unpaid residue" under  
16 California Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to  
17 Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendants  
18 will not be required to pay any interest on such amounts. The Settlement Administrator shall undertake  
19 amended and/or supplemental tax filings and reporting required under applicable local, state, and  
20 federal tax laws that are necessitated due to the cancelation of any Individual Settlement Payment  
21 and/or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement  
22 Payment checks are canceled shall, nevertheless, be bound by the Class Settlement, and PAGA  
23 Employees whose Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the  
24 PAGA Settlement.

25 44. Class Settlement Release. Upon the Effective Date and full funding of the Gross  
26 Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally,  
27 and forever released, settled, compromised, relinquished, and discharged the Released Parties of all  
28 Released Class Claims.

1           45.   PAGA Settlement Release. Upon the Effective Date and full funding of the Gross  
2 Settlement Amount, Plaintiffs, the State of California with respect to all PAGA Employees, and all  
3 PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised,  
4 relinquished, and discharged the Released Parties of all Released PAGA Claims.

5           46.   Plaintiffs' General Release. Upon the Effective Date and full funding of the Gross  
6 Settlement Amount, Plaintiffs, individually and on their own behalf, will be deemed to have fully,  
7 finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties  
8 from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys'  
9 fees, damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or  
10 unsuspected, asserted or unasserted, arising out of, relating to, or resulting from their employment  
11 and/or separation of employment with Defendants, which Plaintiffs, at any time up until the execution  
12 of this Settlement Agreement, had or claimed to have or may have. It is agreed that this is a general  
13 release and is to be broadly construed as a release of all claims, provided that, notwithstanding the  
14 foregoing, this Paragraph expressly does not include a release of any claims that cannot be released  
15 hereunder by law. Any and all rights granted under any state or federal law or regulation limiting the  
16 effect of this Settlement Agreement, including the provisions of Section 1542 of the California Civil  
17 Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as  
18 follows:

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

24           47.   Final Approval Order and Judgment. The Parties shall provide the Settlement  
25 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,  
26 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for  
27 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the  
28 Class will be required.

1           48.   Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the  
2 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and  
3 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the  
4 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,  
5 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this  
6 Settlement Agreement.

7           49.   Effects of Termination or Rescission of Settlement. Termination or rescission of the  
8 Settlement Agreement shall have the following effects:

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

11                   b.       In the event the Settlement Agreement is terminated, Defendants shall have no  
12 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating  
13 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement  
14 Administrator is notified that the Settlement has been terminated;

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

17                   d.       The Settlement Agreement and all negotiations, statements, and proceedings  
18 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be  
19 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

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

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

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

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

8           52.    Entire Agreement. This Settlement Agreement and any attached exhibits constitute the  
9 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all  
10 prior or contemporaneous agreements, understandings, representations, and statements, whether oral  
11 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or  
12 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties  
13 expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure  
14 Section 1856(a), which provide that a written agreement is to be construed according to its terms and  
15 may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic  
16 oral or written representations or terms will modify, vary, or contradict the terms of this Settlement  
17 Agreement.

18           53.    Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in  
19 the Action (including with respect to California Code of Civil Procedure Section 583.310), except  
20 such proceedings necessary to implement and complete this Settlement Agreement, pending the Final  
21 Approval Hearing to be conducted by the Court.

22           54.    Amendment or Modification. Prior to the filing of the motion for preliminary approval  
23 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement  
24 except by written agreement signed by counsel for all Parties. After the filing of the motion for  
25 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this  
26 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject  
27 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not  
28 constitute a waiver of any other provision.

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1           55.    Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and  
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement  
3 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant  
4 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
5 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have  
6 full authority to enter into this Settlement Agreement, and further intend that this Settlement  
7 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible  
8 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation  
9 confidentiality provisions that otherwise might apply under state or federal law.

10           56.    Signatories. It is agreed that because the members of the Class are so numerous, it is  
11 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this  
12 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the  
13 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement  
14 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have  
15 the same force and effect as if this Settlement Agreement were executed by each Settlement Class  
16 Member and PAGA Employee.

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

19           58.    California Law Governs. All terms of this Settlement Agreement and attached exhibits  
20 hereto will be governed by and interpreted according to the laws of the State of California.

21           59.    Execution and Counterparts. This Settlement Agreement is subject only to the  
22 execution of all Parties. However, this Settlement Agreement may be executed in one or more  
23 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned  
24 copies of the signature page, will be deemed to be one and the same instrument.

25           60.    Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
26 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at  
27 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into  
28 account all relevant factors, present and potential. The Parties further acknowledge that they are each  
represented by competent counsel and that they have had an opportunity to consult with their counsel

1 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to  
2 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement  
3 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to  
4 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

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

9 62. Plaintiffs' Cooperation. Plaintiffs agree to sign this Settlement Agreement and, by  
10 signing this Settlement Agreement, are hereby bound by the terms herein and agree to fully cooperate  
11 to implement the Settlement.

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

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

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

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

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

68. Notices. All notices, demands, and other communications to be provided concerning the Settlement Agreement shall be in writing and deemed to have been duly given as of the third business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs and Class Counsel:

Jonathan M. Genish

jgenish@blackstonepc.com

Barbara DuVan-Clarke

bdc@blackstonpc.com

Danielle GruppChang

dgruppchang@blackstonepc.com

Patricia J. Van Ert

pjvanert@blackstone.com

Alexandra Rose

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Jasmine Y. Kianfard

jkianfard@blackstone.com

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Michael J. Jaurigue

S. Sean Shahabi

sean@jlglawyers.com

1 Ali M. Sachani  
2 ali@jlglawyers.com  
3 **JAURIGUE LAW GROUP**  
4 300 West Glenoaks Boulevard, Suite 300  
5 Glendale, California 91202  
6 Tel: (818) 630-7280 / Fax: (888) 879-1697

7 To Defendants:  
8 Alfred J. Landegger  
9 alfred@landeggeresq.com  
10 Evelyn Zarraga  
11 evelyn@landeggeresq.com  
12 Joseph P. Sklar  
13 joseph@landeggeresq.com  
14 **LANDEGGER VERANO, ALC**  
15 15760 Ventura Boulevard, Suite 1200  
16 Encino, California 91436  
17 Tel: (818) 986-7561 / Fax: (818) 986-5147

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

25 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint  
26 Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendants:

27 **IT IS SO AGREED.**

28 **PLAINTIFF ANGELICA AGUALLO**

Dated: 02 / 17 / 2026

Angelica Aguillo  
Plaintiff Angelica Aguillo

**PLAINTIFF CLEMENTE GARCIA**

Dated: 02-04-26

Clemente Garcia  
Plaintiff Clemente Garcia

1 Ali M. Sachani  
2 ali@jlglawyers.com  
3 **JAURIGUE LAW GROUP**  
4 300 West Glenoaks Boulevard, Suite 300  
5 Glendale, California 91202  
6 Tel: (818) 630-7280 / Fax: (888) 879-1697

7 To Defendants:  
8 Alfred J. Landegger  
9 alfred@landeggeresq.com  
10 Evelyn Zarraga  
11 evelyn@landeggeresq.com  
12 Joseph P. Sklar  
13 joseph@landeggeresq.com  
14 **LANDEGGER VERANO, ALC**  
15 15760 Ventura Boulevard, Suite 1200  
16 Encino, California 91436  
17 Tel: (818) 986-7561 / Fax: (818) 986-5147

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

25 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint  
26 Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendants:

27 **IT IS SO AGREED.**

28 **PLAINTIFF ANGELICA AGUALLO**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Plaintiff Angelica Aguallo

**PLAINTIFF CLEMENTE GARCIA**

Dated: 02-04-26 \_\_\_\_\_

*Clemente Garcia*  
\_\_\_\_\_  
Plaintiff Clemente Garcia

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Dated: 2/20/2026

**DEFENDANT BACARI CC INC.**

DocuSigned by:  
Daniel Kronfli  
95499B66AAEF4A2...  
Daniel Kronfli, Chief Executive Officer

On behalf of Bacari Operations, LLC as  
successor by merger to Defendant Bacari CC,  
Inc.

**DEFENDANT BACARI AMERICANA,  
INCORPORATED**

DocuSigned by:  
Daniel Kronfli  
95499B66AAEF4A2...  
Daniel Kronfli, Chief Executive Officer

On behalf of Bacari Operations, LLC as  
successor by merger to Defendant Bacari  
Americana, Inc.

**DEFENDANT BACARI MC  
INCORPORATED**

DocuSigned by:  
Daniel Kronfli  
95499B66AAEF4A2...  
Daniel Kronfli, Chief Executive Officer

On behalf of Bacari Operations, LLC as  
successor by merger to Defendant Bacari MC,  
Inc.

**DEFENDANT BACARI PDR, LLC**

DocuSigned by:  
Daniel Kronfli  
95499B66AAEF4A2...  
Daniel Kronfli, Chief Executive Officer

On behalf of Bacari Operations, LLC as  
successor by merger to Defendant Bacari PDR,  
LLC

**DEFENDANT BACARI OPERATIONS,  
LLC**

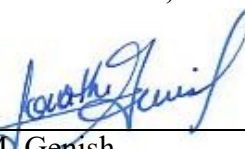
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Daniel Kronfli  
95499B66AAEF4A2...  
Daniel Kronfli, Chief Executive Officer

On behalf of Defendant Bacari Operations, LLC

**APPROVED AS TO FORM ONLY:**

Dated: 02/04/2026

**BLACKSTONE LAW, APC**

  
Jonathan M. Genish  
*Attorneys for Plaintiff Clemente Garcia  
and Proposed Class Counsel*

**JAURIGUE LAW GROUP**

Dated: 2/20/2026

  
Michael J. Jaurigue  
S. Sean Shahabi  
Ali M. Sachani  
*Attorneys for Plaintiff Angelica Aguallo and  
Proposed Class Counsel*

**LANDEGGER VERANO, ALC**

Dated: 2/19/26

  
Alfred J. Landegger  
Evelyn Zarraga  
Joseph P. Sklar  
*Attorneys for Defendants*

# **EXHIBIT A**



## **NOTICE OF CLASS ACTION SETTLEMENT**

***Angelica Aguallo, et al. v. Bacari PDR, LLC, et al.***  
**Superior Court of California for the County of Los Angeles, Case No. 22STCV10062**

### **PLEASE READ THIS CLASS NOTICE CAREFULLY.**

**You have received this Class Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.**

**You do not need to take any action to receive a settlement payment.**

**This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.**

**YOU ARE NOTIFIED THAT:** A class and representative action settlement has been reached between Plaintiffs Angelica Aguallo ("Plaintiff Aguallo") and Clemente Garcia ("Plaintiff Garcia") (together, "Plaintiffs") and Defendants Bacari CC Inc; Bacari Americana, Incorporated; Bacari MC Incorporated; Bacari PDR, LLC; and Bacari Operations, LLC (collectively, "Defendants") (Plaintiffs and Defendants are collectively referred to as the "Parties") in the case entitled *Angelica Aguallo, et al. v. Bacari PDR LLC, et al.*, Los Angeles County Superior Court, Case No. 22STCV10062 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

### **I. IMPORTANT DEFINITIONS**

**"Class" or "Class Member(s)"** means all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the Class Period.

**"Class Period"** means the period from March 23, 2018 through July 31, 2025.

**"Class Settlement"** means the settlement and resolution of all Released Class Claims.

**"PAGA Employee(s)"** means all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the PAGA Period.

**"PAGA Period"** means the period from March 31, 2021 through July 31, 2025.

**"PAGA Settlement"** means the settlement and resolution of all Released PAGA Claims.

### **II. BACKGROUND OF THE ACTION**

On March 23, 2022, Plaintiff Aguallo commenced a putative class action lawsuit by filing a Class Action Complaint in the Action. On March 31, 2022, Plaintiff Aguallo provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that Plaintiff Aguallo contends were violated ("Aguallo PAGA Letter"). On June 6, 2022, Plaintiff Aguallo filed a First Amended Class Action Complaint in the Action. On May 16, 2023, Plaintiff Garcia provided written notice to the LWDA and Defendants of the specific provisions of the California Labor Code that Plaintiff Garcia contends were violated ("Garcia PAGA Letter") (together, the Aguallo PAGA Letter and Garcia PAGA Letter are referred to as the "PAGA Letters"). On May 25, 2023, Plaintiff Garcia filed a Class Action Complaint for Damages in the action entitled *Clemente Garcia v. Bacari CC Inc, et al.*, Los Angeles County Superior Court Case No. 23STCV11883 ("Garcia Class Action"), thereby commencing a putative class action. On December 18, 2023, Plaintiff Aguallo filed a Second Amended Class Action Complaint in the Action. On [redacted], Plaintiffs filed a Third Amended Class Action Complaint ("Operative Complaint") in the Action, which added Plaintiff Garcia as a named plaintiff.

Plaintiffs contend that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated

waiting-time penalties, provide all accrued gratuities, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* (“PAGA”). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendants deny all of the allegations in the Action or that they violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action LLC as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Aguallo and Plaintiff Garcia as representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish  
Barbara DuVan-Clarke  
Danielle Ling GruppChang  
P.J. Van Ert  
Alexandra Rose  
Jasmine Y. Kianfard  
**Blackstone Law, APC**  
8383 Wilshire Boulevard, Suite 745  
Beverly Hills, California 90211  
Tel: (310) 622-4278 / Fax: (855) 786-6356

Michael J. Jaurigue  
S. Sean Shahabi  
Ali M. Sachani  
**Jaurigue Law Group**  
300 West Glenoaks Boulevard, Suite 300  
Glendale, California 91202  
Tel: (818) 630-7280 / Fax: (888) 879-1697

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object to or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs, Class Members, or PAGA Employees. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

### **III. SUMMARY OF THE PROPOSED SETTLEMENT**

#### **A. Settlement Formula**

The total gross settlement amount is One Million Seven Hundred Ninety-Eight Thousand Five Hundred Ninety-Four Dollars and Zero Cents (\$1,798,594.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is

available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$629,507.90), and reimbursement of litigation costs and expenses, in an amount not to exceed Sixty-Five Thousand Dollars and Zero Cents (\$65,000.00) to Class Counsel; (2) Enhancement Payments in amounts not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each to Plaintiffs (total, \$15,000) for their services in the Action; (3) the amount of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$75,000.00) (“LWDA Payment”) and the remaining 25% (\$25,000.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Seventeen Thousand Five Hundred Dollars and Zero Cents (\$17,500.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendants as an hourly-paid and/or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employers’ share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each PAGA Employee worked for Defendants as an hourly-paid and/or non-exempt employee in California during the PAGA Period (“Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the “PAGA Pay Period Value,” and multiplied each PAGA Employee’s individual Pay Periods by the Pay Period Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval, Defendants will fund the Gross Settlement Amount in two (2) installments as follows:

- No later than sixty (60) calendar days after the Court grants final approval, or July 31, 2026, whichever is later, Defendants will deposit half of the Gross Settlement Amount (i.e., \$899,297.00) into a qualified settlement account established by the Settlement Administrator (“First Installment”).
  - Within five (5) business days of the funding of the First Installment, the Settlement Administrator will issue half of the Individual Settlement Payments to Settlement Class Members, half of the Individual PAGA Payments to PAGA Employees, half of the Enhancement Payments to Plaintiffs, half of the Attorneys’ Fees and Costs to Class Counsel, and half of the Settlement Administration Costs to itself.
- No later than six (6) months after the First Installment, or February 28, 2027, whichever is later, Defendants will deposit the remaining half of the Gross Settlement Amount (i.e., \$899,297.00) and Employer Taxes into the qualified settlement account established by the Settlement Administrator (“Second Installment”).
  - Within five (5) business days of the funding of the Second Installment, the Settlement Administrator will issue the remaining half of the Individual Settlement Payments to Settlement Class Members, remaining half of the Individual PAGA Payments to PAGA Employees, remaining half of the Enhancement Payments to Plaintiffs, remaining half of the Attorneys’ Fees and Costs to Class Counsel, and remaining half of the

## Settlement Administration Costs to itself.

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

### **B. Your Workweeks and Pay Periods (if applicable) Based on Defendants' Records**

According to Defendants' records:

- **From March 23, 2018 through July 31, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From March 31, 2021 through July 31, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.**

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator ("Dispute"). The Dispute must: (a) contain the case name and number of the Action (*Aguallo v. Bacari*, Los Angeles County Superior Court, Case No. 22STCV10062); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**. You may also submit documents, such as payroll records, in support of your dispute. However, absent evidence rebutting the accuracy of Defendants' records and data as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class Member, Defendants' records will be presumed to be correct and determinative of the dispute. The Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

### **C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)**

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and Pay Periods (if applicable) credited to you.

**Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

**Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

### **D. Release of Claims**

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims which were alleged or which could have been reasonably alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, which shall specifically include claims for Defendants’ alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide all accrued gratuities, provide accurate wage statements, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 350, 351, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and Professions Code sections 17200, *et seq.*

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letters and the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, which shall specifically include claims for Defendants’ alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide all accrued gratuities, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 350, 351, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

“Released Parties” means Defendants and their current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

#### **E. Attorneys’ Fees and Costs to Class Counsel**

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$629,507.90) and reimbursement of litigation costs and expenses in an amount not to exceed Sixty-Five Thousand Dollars and Zero Cents (\$65,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

#### **F. Enhancement Payments to Plaintiffs**

Plaintiffs will seek the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each (total, \$15,000.00) (“Enhancement Payments”), in recognition of their services in connection with the Action. The Enhancement Payments will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to their Individual Settlement Payments and Individual PAGA Payments that they are entitled to under the Settlement.

#### **G. Settlement Administration Costs to Settlement Administrator**

Payment to the Settlement Administrator is estimated not to exceed Seventeen Thousand Five Hundred Dollars and Zero Cents (\$17,500.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

### **IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?**

#### **A. Participate in the Settlement**

**If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything.** You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and



you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

## **B. Request Exclusion from the Class Settlement**

Class Members may request to be excluded from the Class Settlement by submitting a letter ("Request for Exclusion") to the Settlement Administrator, at the following address:

[Settlement Administrator]

[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Aguallo v. Bacari*, Los Angeles County Superior Court, Case No. 22STCV10062); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

## **C. Object to the Class Settlement**

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection ("Notice of Objection") to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Aguallo v. Bacari*, Los Angeles County Superior Court, Case No. 22STCV10062); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

## **V. FINAL APPROVAL HEARING**

The Court will hold a Final Approval Hearing in Department 9 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, Enhancement Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not

necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

You can find more information regarding appearing remotely through LA Court Connect online at: <https://www.lacourt.org/laccligibility/ui/civil.aspx?casetype=ci>

## **VI. ADDITIONAL INFORMATION**

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting Stanley Mosk Courthouse, 111 North Hill Street, California 90012, during normal business hours, or by online by visiting the following website: <https://www.lacourt.org/casesummary/ui/>

You may also visit the Settlement Administrator's website at [REDACTED] for key documents in the Action.

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.**

**IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**