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Attorneys for Plaintiff Denise Jacobs

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF STANISLAUS

DENISE JACOBS, individually and on behalf of
all others similarly situated,

Plaintiff,

vs.

HYDRAULIC CONTROLS, INC.; and DOES
1-100, inclusive,

Defendants.

Case No.: CV-23-003469

DECLARATION OF VLADIMIR J.
KOZINA IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT

Date:

Time: 9:00 am

Dept: 22

I, Vladimir J. Kozina, declare:

1. I am an attorney duly licensed to practice before all the courts of this state and am a shareholder of Mayall Hurley P.C., counsel for Plaintiff Denise Jacobs ("Plaintiff").

2. I have personal knowledge of the matters set forth herein and, if called upon to do so, could and would competently testify thereto under oath.

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Procedural History, Discovery, Settlement Negotiations and Mediation

3. On June 21, 2023, Plaintiff submitted a notice to the LWDA and Defendants of alleged wage and hour violations, specifically violations of Labor Code sections 201, 202, 204, 226(a), and 510.

4. The LWDA did not provide notice that it intended to investigate the alleged violations set forth in either of Plaintiff's notices.

5. Plaintiff filed the instant action on June 23, 2023 alleging wage and hour violations on behalf of a putative class of non-exempt employees employed by Defendants, specifically claims for failure to properly calculate and pay overtime and paid sick time, failure to furnish accurate itemized wage statements, failure to pay all wages upon separation of employment, and unlawful business practices.

6. On August 28, 2023, Plaintiff filed a First Amended Complaint adding a cause of action under PAGA.

7. On October 13, 2023, after Defendant asserted that Plaintiff's claims were subject to an arbitration agreement, Plaintiff dismissed her individual non-PAGA claims without prejudice.

8. During this time and beyond, Plaintiff propounded formal discovery on Defendant, met and conferred regarding Defendant's responses, and the parties ultimately agreed to exchange additional informal discovery and attempt mediation to resolve Plaintiff's claims.

9. As part of the formal and informal discovery in this matter, Defendant provided copies of its bonus and payment policies, information regarding the number of alleged aggrieved employees, and a sampling of 50 employees' time and payroll records covering the PAGA Period.

10. This information permitted Plaintiff to develop a meaningful damages model going into mediation.

11. On June 4, 2024, the parties mediated with retired judge and experienced class action mediator Hon. William C. Pate (Ret.). The parties were able to reach a resolution of the claims in mediation, including resolution of the claims on a classwide basis covering the same period as the applicable PAGA Period in this case.

1 12. The parties finalized and fully executed the settlement agreement on July 24, 2024.
2 Attached hereto as **Exhibit 1** is a true and correct copy of the fully executed settlement agreement.

3 13. Following execution of the settlement agreement, Plaintiff filed a Second Amended
4 Complaint to conform to the settlement, specifically re-asserting her class claims.

5 14. Participating Settlement Class Members are expected to receive an average payout of
6 approximately \$610 each.

7 15. The Settlement Agreement allocates \$10,000 to resolve PAGA claims. 75% (\$7,500)
8 will be paid to the LWDA, and the remaining 25% (\$2,500) will be distributed to Class Members. SA,
9 § II.22. The Parties negotiated this amount in good faith, intending to serve the punitive and deterrent
10 purposes of the PAGA.

11 16. Plaintiff filed a copy of the Settlement Agreement and these papers with the LWDA.
12 Attached as **Exhibit 2** is a true and correct copy of the LWDA's confirmation of receipt of same.

13 **Class Counsel's Damages Analysis and Valuation of the Class Claims**

14 17. The Settlement Agreement represents a compromise of highly disputed claims.
15 Defendant vigorously denies Plaintiff's allegations in their entirety, denies that certification of the
16 class is appropriate (except for settlement purposes), contends that it has complied with the law, and
17 asserts numerous affirmative defenses, both legal and factual.

18 18. This Settlement has and will result in substantial benefits to all Settlement Class
19 Members.

20 **Maximum Theoretical Class Damages**

21 19. Plaintiff has asserted class claims for: 1) failure to pay overtime wages; 2) failure to pay
22 all wages at cessation of employment; 3) failure to properly calculate paid sick time; 4) failure to
23 furnish accurate itemized wage statements, 5) failure to timely pay wages in violation of Labor Code
24 section 204; and 6) violation of Business and Professions Code sections 17200 *et seq.*

25 20. Based on the documentation and data provided to Class Counsel by Defendant, Class
26 Counsel was able to develop a model setting forth the maximum theoretical damages recoverable by
27 the class.
28

1 21. Under Class Counsel's damage model, Defendant faced a maximum theoretical
2 exposure of \$324,886.14 to the Class.

3 22. The Gross Settlement Fund represents 46% of the maximum non-PAGA damages
4 recoverable to the Class (21.8% overall maximum), and accounts for the risks inherent in both
5 maintaining class certification and ultimately prevailing at trial.

6 23. Plaintiff's regular rate (i.e., overtime) class claims are based on a regular rate theory,
7 that Defendant failed to pay all required overtime pay because Plaintiff and class members received
8 non-discretionary bonuses, specifically safety and ESOP bonuses that were not factored into their
9 overtime rates of pay or sick pay. With respect to the Settlement Class Members as a whole, this
10 underpayment totaled \$10,782.93 with respect to overtime payment and \$11,703.21 with respect to
11 sick pay underpayment, for a total maximum liability of \$22,486.14.

12 24. A total of 1,443 pay periods fell within the Class Period covering the period in which
13 wage statement penalties were available. These wage statements were furnished to a total of 114 Class
14 Members, resulting in a maximum of \$138,600 in wage statement penalties under Labor Code section
15 226(e) ((\$50 x 114 wage statements) + (\$100 x 1,329 wage statements)).

16 25. As for the waiting time penalty claim, there were 35 former Class Members overall,
17 with a calculated maximum exposure of approximately \$163,800 in waiting time penalties under
18 Labor Code section 203.

19 26. Finally, with respect to the asserted PAGA violations, within the PAGA period, we
20 determined the following theoretical maximum exposure:

- 21 a. \$72,150 on the overtime claims (\$50 x 1,443 pay periods)
- 22 b. \$144,300 on the wage statement claims (\$100 x 1,443 pay periods);
- 23 c. \$144,300 on Labor Code section 204 claims (\$100 x 1,443 pay periods);
- 24 d. \$3,500 on the Labor Code section 201/202 claims (\$100 x 35 former employees);
- 25 e. Total = \$364,250.

26 27. In total, Class Counsel determined that Defendants faced a maximum theoretical
27 exposure of approximately \$324,886.14 as to the substantive class claims, and an additional \$358,550
28 in civil penalties under PAGA.

1
2
3 **Defendant's Defenses**

4 28. Defendant raised several defenses against the class claims having the potential to
5 substantially reduce or eliminate its potential exposure. At the very least, the defenses would have
6 delayed any recovery on behalf of the Class substantially, potentially years.

7 29. Defendant contended, *inter alia*, 1) The ESOP and safety bonuses were discretionary
8 bonuses that did not need to be included in the regular rate of pay; 2) the ESOP bonus was part of a
9 bona-fide profit sharing plan that did not need to be included in the regular rate of pay, 3) Defendant
10 believed in good faith that it was in compliance with the Labor Code at all relevant times; 4) Plaintiff
11 and other employees were subject to enforceable arbitration agreements; and 5) PAGA penalties
12 cannot be “stacked” for multiple alleged violations stemming from the same set of facts.

13 30. As set forth above, even without taking any of these defenses, or the risk of obtaining
14 and maintaining class certification and ultimately prevailing at trial, the Gross Settlement Amount
15 represents 46% of the maximum non-PAGA damages recoverable to the Class (21.8% overall
16 maximum), which itself is well within the range of settlement regularly approved by courts in wage-
17 and-hour class actions.

18 31. While I believe it possible that certification could be achieved on all of Plaintiff's
19 claims, continued litigation was guaranteed to be costly, time consuming, and risky. Appellate
20 proceedings would only further delay and jeopardize recovery by Settlement Class Members.

21 32. By contrast, the proposed Settlement ensures timely relief and substantial recovery for
22 the Settlement Class. See e.g., *Rodriguez v. West Publishing Corp.*, 563 F.3d 948, 965 (9th Cir. 2009)
23 (approving settlement amounting to 30% of the realistic damages estimated by the class expert; court
24 noted that even if the plaintiffs were entitled to treble damages the settlement would be approximately
25 10% of estimated damages); *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir. 2000)
26 (settlement equal to 16.67% of potential recovery was fair). Indeed, “it is well-settled law that a cash
27 settlement amounting to only a fraction of the potential recovery does not . . . render the settlement
28 inadequate or unfair.” *Officers for Justice v. Civil Service Com'n of City and County of San*

1 *Francisco*, 688 F.2d 615, 628 (9th Cir. 1982). Of course, “the very essence of a settlement is
2 compromise, ‘a yielding of absolutes and an abandoning of highest hopes.’” *Linney v. Cellular Alaska*
3 *P’ship*, 151 F.3d 1234, 1242 (9th Cir. 1998). As such, “[t]he fact that a proposed settlement may only
4 amount to a fraction of the potential recovery does not, in and of itself, mean that the proposed
5 settlement is grossly inadequate and should be disapproved.” *Id.*

6 33. Considering all the circumstances set forth above, and the inherent risks in a necessarily
7 protracted litigation process of uncertain outcome, the Settlement, which is expected to provide an
8 estimated average net recovery of \$610 to each Settlement Class Member, provides timely, guaranteed
9 and cognizable monetary relief that is objectively fair, adequate, and reasonable, a contention that I
10 strongly believe.

11 34. The released Settlement Class Member claims were narrowly tailored to track the
12 factual allegations underlying the claims advanced on behalf the Class and do not include a Civil Code
13 section 1542 waiver.

14 35. Neither I nor my firm are aware of any other pending matter or action asserting claims
15 that will be extinguished or adversely affected by this Settlement.

16 **PAGA Penalty Payment**

17 36. The Settlement allocates \$10,000 to resolution of claims for PAGA civil penalties
18 arising out of the alleged violations of the Labor Code committed against the Class. The Parties
19 negotiated this amount in good faith, intending to serve the punitive and deterrent purposes of the
20 PAGA.

21 37. This is an appropriate resolution under the circumstances because the punitive and
22 deterrent purposes of the PAGA are being served. *Jennings v. Open Door Marketing, LLC* (N.D. Cal.
23 2018) 2018 WL 4773057 *8-9 (approving PAGA recovery of 0.6% of maximum); *Ahmed v. Beverly*
24 *Health & Rehabilitation Svcs., Inc.* (ED. Cal. 2018) 2018 WL 746393 *10. This is also in connection
25 with Defendant agreeing to pay \$150,000 to compensate its current and former employees for the
26 alleged violations.

38. Attached as Exhibit A to the Settlement Agreement (**Exhibit 1**) is true and correct copy of the proposed Notice of Class Action Settlement and Final Approval Hearing (the “Class Notice”) which has been reviewed and approved by the Parties.

40. Because all Settlement Class Members are current or former employees of Defendant Auto Brakes of Sacramento, Inc., for whom Defendant Auto Brakes has current or last known addresses as well as SSNs, notice here is simpler and more reliable than in other types of class actions that require published notice to reach unidentifiable class members.

41. The Parties have selected ILYM Group, Inc. (“ILYM”) to serve as Administrator after soliciting bids from multiple candidates.

Declaration of Vladimir J. Kozina in Support of Motion for Preliminary Approval
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1 the estimated cost of administration of \$5,950 is reasonable in relation to a class of this size and the
2 work to be performed.

3 **Plaintiff Has Served and Will Continue to Serve the Class Well**

4 43. Plaintiff's interest in prosecuting this Class Action and obtaining the most beneficial
5 recovery possible fully comport with the collective best interests of the Class Members. Plaintiff
6 understood the claims and theories that are being advanced, was actively involved throughout the
7 litigation and has no conflicts with the other members of the Class whom she seeks to represent.
8 Plaintiff was subjected to the same alleged unlawful policies, practices, and procedures, specifically
9 failure to pay overtime, failure to pay all wages at cessation of employment, and failure to furnish
10 accurate itemized wage statements. Were Plaintiff not serving as Class Representative, she would
11 have been a Class Member.

12 44. Tragically, Plaintiff passed away unexpectedly in early August. However, before that
13 unfortunate event, Plaintiff demonstrated her commitment to prosecuting this Class Action on behalf
14 of the Class Members by, amongst other things, locating and retaining attorneys, participating in the
15 initial investigation into the claims in this action, filing her lawsuit and having willingly exposing her
16 name and reputation to scrutiny from prospective and/or future employers, participating in discovery,
17 participating in mediation and assisting in the preparation for same, helping to facilitate the Settlement
18 for which approval is now sought, and having been willing to testify at trial.

19 45. Plaintiff, who worked diligently with Class Counsel throughout this entire litigation,
20 including taking numerous calls with Class Counsel, participating in formal and informal discovery,
21 and participating in the mediation and settlement negotiations, should be rewarded for taking the
22 initiative to pursue these claims on behalf of his coworkers, and for his role in reaching a substantial
23 settlement providing for valuable monetary relief to the Class.

24 46. Per the settlement agreement, Plaintiff seeks an Enhancement Payment in the amount
25 \$10,000 in consideration for her service as Class Representative, which will Class Counsel will
26 request to be paid to her estate. I believe this to be fair, reasonable, and appropriate.

27 47. Class Members will be apprised of Plaintiff's request as well as their ability to review
28 the moving papers on the Court's website, and to object to the request if they so desire.

Experience of Class Counsel

48. I obtained a B.S. degree in Molecular Biology from the University of California, San Diego in 2001. I subsequently obtained a M.S. degree from the University of the Pacific in Biological Sciences in 2005.

49. I attended the Laurence Drivon School of Law from 2008 through 2012, graduating as Valedictorian. I earned my J.D. and became a member of the California Bar in 2012.

50. The vast majority of my practice is devoted to plaintiff's employment matters, including employment discrimination and wage-and-hour actions. My practice also includes employment defense, personal injury, and contract actions. I have substantial involvement in complex litigation like the instant case, and have worked on or am currently working on several wage and hour class action cases with Mayall Hurley, P.C. Currently, the majority of my practice is devoted to complex litigation similar to the instant action. My law firm, Mayall Hurley P.C., primarily through attorneys Robert J. Wasserman, William J. Gorham, III and me, has pursued this action aggressively, and many other similar class, collective, and representative actions. For instance, Mayall Hurley P.C. has been approved as class counsel in this Action and in numerous others, including:

- a. *Markson, et al. v. CRST International, Inc, et al.*, Eastern District of California Case No. 5:17-cv-01261-VAP-SP;
- b. *Jacques v. Mike's Mobile, Inc.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2022-2329;
- c. *Schmeirer v. Arc Document Solutions, LLC*, San Joaquin County Superior Court Case No. STK-CV-UOE-2019-2008;
- d. *Starr, et al. v. Schell and Kampeter, Inc.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2021-4585;
- e. *Maldonado, et al. v. Wine & Roses, LLC*, San Joaquin County Superior Court Case No. STK-CV-UOE-2019-2629;
- f. *Flores v. Dart Container Corp., et al*, Eastern District of California Case No. 2:19-cv-00083-WBS-EFB;

- 1 g. *Rodriguez v. J-M Manufacturing, Inc.*, San Joaquin County Superior Court Case
2 No. STK-CV-UOE-2019-6065;
- 3 h. *Arata v. Cozad Trailer Sales, LLC*, San Joaquin County Superior Court Case No.
4 STK-CV-UOE-2020-1774;
- 5 i. *Modica v. Iron Mountain Information Management Svcs., Inc.*, United States
6 District Court, Eastern District of California Case No. 2:19-cv-00370-TLN-JDP;
- 7 j. *Magee v. Thyssenkrupp Materials, N.A., et al.*, Alameda County Superior Court
8 Case No. RG19027231;
- 9 k. *Basinger v. Il Palio Restaurant Group, Inc.*, San Diego County Superior Court Case
10 No. 37-2018-00004296-CU-OE-CTL;
- 11 l. *Pacheco v. Bushfire Grill, Inc., et al*, United States District Court, Southern District
12 of California, Case No. 3:18-cv-01696-JAH-WVG;
- 13 m. *Wise v. ULTA Salon, Cosmetics & Fragrance, Inc.*, United States District Court,
14 Eastern District of California, Case No. 1:17-cv-00853-DAD-EPG;
- 15 n. *Fernando and Kalaveras v. Burroughs, Inc.*, Alameda County Superior Court, Case
16 No. RG18906875;
- 17 o. *Mansur v. Owens-Brockway Glass Container, Inc.*, San Joaquin County Superior
18 Court, Case No. STK-CV-UOW-2018-14631;
- 19 p. *Alderson v. Alameda County Agricultural Fair Association*, Alameda County
20 Superior Court, Case No. RG18912654;
- 21 q. *Terry v. Mare Island Dry Dock, LLC*, Solano County Superior Court, Case No.
22 FCS051650;
- 23 r. *Mettler, Bender, and Rojas v. Les Schwab Tire Centers of California, Inc.*, San
24 Joaquin County Superior Court, Case No. STK-CV-UOE-2018-476;
- 25 s. *Escalera v. La Tapatia Mexican Market, Inc.*, San Joaquin County Superior Court,
26 Case No., ST-CV-UOE-2017-5296;
- 27 t. *Garcia, et al. v. HMS Host USA, Inc.*, United States District Court, Northern
28 District of California, Case No. 17-cv-03069-RS;

- 1 u. *Ali v. Sutter Valley Medical Foundation, Inc.*, Sacramento County Superior Court,
2 Case No. 34-2017-00217486;
- 3 v. *Grady, et al. v. People 2.0 dba The Hire Source, et al.*, San Joaquin County Case
4 No. STK-CV-UOE-2017-13867;
- 5 w. *Kumar v. Forty Niners Stadium Management Company*, Santa Clara County
6 Superior Court, Case No. 17CV3121427;
- 7 x. *Gast v. Flooring Liquidators, Inc.*, Stanislaus County Superior Court, Case No.
8 2026223;
- 9 y. *Russell v. KeHe Distributors, Inc.*, United States District Court, Eastern District of
10 California, Case No. 2:17-at-00592;
- 11 z. *Smith v. Wal-Mart Stores, Inc. et al.*, United States District Court, Northern District
12 of California, Case No. 3:16-cv-02832-JD;
- 13 aa. *Titus v. The Martin-Brower, LLC*, United States District Court, Eastern District of
14 California, Case No. 2:17-cv-00558-JAM-GGH;
- 15 bb. *Hugues v. The Morning Star Trucking Company, LLC, et al.*, Yolo County Superior
16 Court Case No. CV16-1215;
- 17 cc. *Ahmed v. Beverly Health and Rehabilitation Services, Inc., et al.*, United States
18 District Court, Eastern District of California, Case No. 2:16-cv-01747-WBS-KJN;
- 19 dd. *Guzman-Padilla, et al. v. Gerard Van De Pol, et al.*, United States District Court,
20 Eastern District of California, Case No. 2:17-cv-00196-JAM-KJN;
- 21 ee. *Jaime v. Walt Disney Parks and Resorts U.S., Inc.*, United States District Court,
22 Central District of California, Case No. SACV 15-01618-CJC(DFMx);
- 23 ff. *Stevens v. Suncrest Solar, Inc.*, Fresno County Superior Court, Case No.
24 16CECG03355;
- 25 gg. *Cardoza v. Blazona Concrete Construction, Inc.*, Alameda County Superior Court
26 Case No. RG17866256;
- 27 hh. *Maasrani v. Waterton Hospitality Management*, San Mateo County Superior Court,
28 Case No. 17CIV05470;

- 1 ii. *Huynh v. Parker-Hannifin Corporation*, Stanislaus County Superior Court, Case
2 No. 2022325;
3 jj. *Moser v. O'Connor Woods Housing Corporation*, San Joaquin County Superior
4 Court, Case No. STK-CV-UOE-2014-0009861;
5 kk. *Bastami v. Semiconductor Components Industries, LLC*, Santa Clara County
6 Superior Court, Case No. 16cv297447;
7 ll. *Davis v. Balfour Beatty Infrastructure, Inc.*, Los Angeles County Superior Court,
8 Case No. BC592580;
9 mm. *Van Lith v. iHeartmedia + Entertainment, Inc. et al.*, United States District
10 Court, Eastern District of California, Case No. 1-16-cv-00066-SKO;
11 nn. *Clark v. Arrow Sign Co.*, San Joaquin County Superior Court, Case No. STK-CV-
12 UOE-2016-6457;
13 oo. *Moreno v. B.R. Funsten & Co.*, Solano County Superior Court Case No.
14 FCS046149;
15 pp. *Taylor v. Meadowbrook Meat Company, Inc.*, United States District Court, Norther
16 District of California, Case No. 3:15-cv-00132-LB;
17 qq. *Perez et al. v. Abbate Family Farms Limited Partnership et al.*, San Joaquin County
18 Superior Court, Case No. 39-2012-00288653-CU-OE-STK
19 rr. *Bice v. Vensure HR, Inc., et al.*, San Joaquin County Superior Court, Case No.
20 STK-CV-UOE-2016-1264.

21 All of the above are wage-and-hour class actions. Not including this matter, we have several
22 other wage-and-hour class actions currently pending final approval in which we have been
23 preliminarily approved as class counsel. My law firm and I have also represented plaintiffs in
24 numerous representative employment actions, settlements in which have been approved by multiple
25 California and federal courts, and are currently prosecuting dozens more.

26 51. Mayall Hurley, P.C. has also obtained class and/or conditional certification in a number
27 of contested cases, including *Liu v. QNAP, Inc.*, Los Angeles County Superior Court Case No.
28 19PSCV00668; *Bice v. Vensure HR, Inc., et al.*, San Joaquin County Superior Court, Case No. STK-

1 CU-UOE-2016-1264; *Perez et al. v. Abbate Family Farms Limited Partnership et al.*, San Joaquin
2 County Superior Court, Case No. 39-2012-00288653-CU-OE-STK, *Wilk v. Skechers U.S.A., Inc.*,
3 United States District court, Central District of California, Case No. 5-18-CV-01921-JGB-SP; *Titus v.*
4 *Paramount Equity Mortgage, LLC*, United States District Court, Eastern District of California, Case
5 No. 2:17-cv-00349-MCE-KJN; and *Solati v. RPM Mortgage, LLC*, Solano County Superior Court
6 Case No. FCS048401.

7 52. In litigating this action, our office has spent over 100 hours of time to date and incurred
8 \$6,674.65 in out-of-pocket costs to date. A detailed breakdown of counsel's time and expenses will be
9 provided in conjunction with Plaintiff's motion for final approval.

10 I declare under penalty of perjury under the laws of the State of California that the foregoing is
11 true and correct. Executed on this 17th day of September, 2024, in Lodi, California.

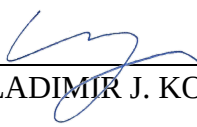
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14 _____
VLADIMIR J. KOZINA
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Exhibit 1

MAYALL HURLEY, P.C.
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Attorneys for Plaintiff Denise Jacobs

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF STANISLAUS

DENISE JACOBS, Individually and on
Behalf of Others Similarly Situated,

Plaintiff,

vs.

HYDRAULIC CONTROLS, INC..; and
DOES 1-100, inclusive,

Defendants.

Case No.: CV-23-003469

CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE

This Class Action and PAGA Settlement Agreement and Release (“Settlement Agreement” or “Agreement”), is made and entered into by, between, and among Plaintiff Denise Jacobs (“Plaintiff”) on behalf of herself, the Settlement Class, as defined below, the State of California, and the PAGA Settlement Members, as defined below, on the one hand, and Defendant Hydraulic Controls, Inc. (“Defendant”) on the other hand.

Plaintiff and Defendant (collectively, the “Parties”) enter into this Agreement to effectuate a full and final settlement and judgment resolving completely and to the fullest extent permitted by law the Released Class Claims and Released PAGA Claims, as defined below, and brought against Defendant in *Denise Jacobs v. Hydraulic Controls, Inc., et al.* (Case No. CV-23-003469) in the Superior Court of the State of California, County of Stanislaus. This Agreement is intended to fully and finally compromise, release, discharge, and settle the Released Class Claims and Released PAGA Claims, as defined and on the terms set forth below, and to the full extent reflected herein, subject to the approval of the Court.

I. RECITALS

WHEREAS, on June 21, 2023, Plaintiff filed a notice with the California Labor and Workforce Development Agency (“LWDA”), serving a copy of same on Defendant by certified mail, alleging various wage and hour violations by Defendant, specifically violations of Labor Code sections 201, 202, 204, 226(a)(1), 226(a)(5), 226(a)(9), and 510.

WHEREAS, on June 23, 2023, Plaintiff filed a putative class action in Stanislaus county alleging wage-and-hour violations and asserting individual claims for (1) failure to properly calculate and pay overtime, (2) failure to furnish accurate itemized wage statements, (3) failure to pay all wages upon separation of employment, and (4) unlawful business practices, in the matter *Jacobs v. Hydraulic Controls, Inc., et al.*, Stanislaus County Superior Court Case No. CV-23-003468 (the “Action”);

WHEREAS, on August 28, 2023, Plaintiff amended her complaint to add claims on behalf of herself and other aggrieved employees as a representative action under the Private Attorneys General Act, codified in California Labor Code §§ 2698 *et seq.*, (“PAGA”);

1 WHEREAS, having been informed of the existence of an arbitration agreement between
2 Plaintiff and Defendant, on October 13, 2023, Plaintiff dismissed from the Action, without prejudice,
3 her individual and class non-PAGA claims;

4 WHEREAS, on June 4, 2024, the Parties attended a mediation session with experienced
5 professional mediator Hon. William C. Pate (Ret.) and, in preparation for mediation, engaged in written
6 discovery and informal exchanges of information, documents, and data, which enabled a thorough
7 evaluation of the claims, and the likely outcomes, risks, and expense of pursuing litigation;

8 WHEREAS, the Parties reached an agreement in principle to resolve the Action at the
9 conclusion of the mediation and executed a Memorandum of Understanding outlining the material
10 terms of that agreement;

11 WHEREAS, the Parties desire to fully, finally, and forever settle, compromise, and discharge
12 all disputes and claims that exist between them arising from the factual allegations alleged in the
13 pleadings, discovery, and that underlie the Action concerning any and all claims asserted therein,
14 including:

15 Plaintiff's class and individual claims for: (1) failure to properly calculate and pay overtime in
16 violation of Labor Code section 510; (2) failure to furnish accurate itemized wage statements in
17 violation of Labor Code section 226(a); (3) failure to pay all wages at cessation of employment in
18 violation of Labor Code sections 201 and 202; (4) unlawful business practices in violation of Business
19 and Professions Code sections 17200, *et seq.*

20 Plaintiff's PAGA claims for: (1) failure to properly calculate and pay overtime in violation of
21 Labor Code section 510; (2) failure to furnish accurate itemized wage statements in violation of Labor
22 Code section 226(a); (3) failure to pay all wages at cessation of employment in violation of Labor Code
23 sections 201 and 202; (4) failure to timely pay wages in violation of Labor Code section 204; and

24 Plaintiff's individual claims including but not limited to wrongful termination, disability
25 discrimination, failure to accommodate, failure to engage in the interactive process, retaliation, and
26 failure to prevent discrimination and retaliation.

27 To achieve a full and complete release of the claims against Defendant (and the "Released
28 Parties" as defined in this Agreement), the Plaintiff and Participating Settlement Class Members, as

defined in this Agreement (which include any legal heirs and/or successors-in-interest of all Participating Settlement Class Members), through execution of the Agreement, acknowledge that this Settlement Agreement is intended to include in its effect the entirety of the Released Claims, as more fully described in Paragraphs 28, 29, and 63 of this Agreement.

II. DEFINITIONS

In addition to the terms defined elsewhere in this Settlement Agreement, capitalized terms used in this Settlement Agreement shall have the meanings set forth below:

1. “Action” means *Jacobs v. Hydraulic Controls, Inc., et al.* (Case No. 23-CV-003469).
2. “Attorneys’ Fees and Costs” means attorneys’ fees sought by Class Counsel for litigation and resolution of the Action, and all reasonable costs incurred by Class Counsel in the Action as outlined in this Agreement. Subject to review and approval by the Court, Class Counsel has indicated that they intend to seek attorneys’ fees of not more than one third (1/3) of the Gross Settlement Fund, or Fifty Thousand Dollars (\$50,000.00) plus reasonable costs and expenses in an amount not to exceed Seven Thousand Dollars (\$7,000.00), which shall be paid from the Gross Settlement Fund.
3. “Class Counsel” means and includes Vladimir J. Kozina, William J. Gorham, III, and Robert J. Wassermann of Mayall Hurley, P.C.
4. “Class Counsel Award” means any attorneys’ fees, expenses, or costs awarded to Class Counsel by the Court.
5. “Class List” means a confidential list of all Settlement Class Members and PAGA Settlement Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within thirty (30) calendar days after entry of an order granting Preliminary Approval of this Settlement. The Class List will include, to the extent available from Defendant’s records, each Class Member’s full name; most recent mailing address, and telephone number contained in Defendants’ personnel records; Social Security number; dates of employment; the number of “weeks worked” or “workweeks” that each Class Member worked during the Class Period according to Defendant’s records; and any other information needed to calculate Individual Settlement Payments. The data provided to the Settlement Administrator will be treated as confidential and will not be disclosed to anyone, except as may be required to applicable tax authorities, pursuant to

Defendant's express written consent, by order of the Court, or to carry out the reasonable steps described in this Settlement to locate missing Settlement Class Members. The data provided to the Settlement Administrator by Defendant will not be shared with Class Counsel.

6. "Class Period" means the period from June 21, 2022, through the earlier of (1) entry of an order granting preliminary approval of the settlement or (2) August 3, 2024.

7. "Class Representative Enhancement Payment" means the amounts to be paid to Plaintiff, subject to final approval by the Court, in recognition of her effort and work in prosecuting the Action on behalf of Settlement Class Members. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff has stated that she will request Court approval of a Class Representative Enhancement Payment of Ten Thousand Dollars (\$10,000.00).

8. "Court" means the Superior Court of California for the County of Stanislaus.

9. "Defendant" means Hydraulic Controls, Inc.

10. "Effective Date" means the later of: (i) if no timely objections are filed, or if filed, are withdrawn prior to final approval, the date upon which the Court enters an order granting Final Approval of the Settlement Agreement; or (ii) if timely objections are filed and not withdrawn, then either (a) the 60th calendar day after a signed order granting final approval of this settlement has been filed provided no notice of appeal has been filed; or (b) the seventh calendar day after any appeal opposing the settlement has been finally dismissed with no material change to the terms of this settlement and there is no right to pursue further remedies or relief, whichever is later.

11. "Final Approval" means the entry of an order that Plaintiff and Defendant will jointly seek from the Court, and the entry of which shall reflect the Court's Judgment finally approving the Settlement Agreement.

12. "Final Approval Hearing" means the hearing that is to take place after the entry of the Preliminary Approval Order and after the date the Settlement Administrator sends Notice Packets to Settlement Class Members for purposes of: (i) entering Final Approval; (ii) determining whether the Settlement Agreement shall be approved as fair, reasonable, and adequate; and (iii) ruling upon an

application by Class Counsel for Attorneys' Fees and Costs and Plaintiff's Class Representative Enhancement Payment.

13. "Funding Date" means thirty (30) calendar days after the Effective Date.

14. "Gross Settlement Fund" means the non-reversionary amount of One Hundred Fifty Thousand Dollars (\$150,000.00), to be paid by Defendant in full satisfaction of all Released Claims, which includes all Individual Settlement Payments to Participating Settlement Class Members, Participating Settlement Class Members' shares of applicable payroll tax payments (including FICA, FUTA, and SDI contributions), the Class Representative Enhancement Payment to Plaintiff, the PAGA Settlement Amount for release of all PAGA claims, Attorneys' Fees and Costs, and Settlement Administration Costs. In addition to the amount provided as part of the Gross Settlement Fund, Defendant agrees to pay the employer's share of applicable payroll tax payments ("Employer's Payroll Tax Payments"). Other than the Employer's Payroll Tax Payments, in no event will Defendant be liable in the Action for more than the Gross Settlement Fund set forth in this Paragraph, except as to the settlement of Plaintiff's individual claims.

15. "Individual Settlement Payment" means each Participating Settlement Class Member's respective share of the Net Settlement Amount.

16. "Individual PAGA Payment" means each PAGA Settlement Member's respective share of the 25% of the PAGA Settlement Amount allocated to PAGA Settlement Members.

17. "Plaintiff" means Denise Jacobs.

18. "Net Settlement Amount" means the portion of the Gross Settlement Fund remaining after deducting the Class Representative Enhancement Payment, the Class Counsel Award, Settlement Administration Costs, the PAGA Settlement Amount, Individual PAGA Payments, and any other amounts to be deducted from the Gross Settlement Fund. The entirety of the Net Settlement Amount will be distributed to Participating Settlement Class Members pro rata, on a per "weeks worked" or "workweek" basis. There will be no reversion of the Net Settlement Amount to Defendant.

19. "Notice of Objection" means a Settlement Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector's full name, address, and signature; (ii) the case name and case number; (iii) a written

statement that the Settlement Class Member is objecting to the Settlement Agreement; ; and (iv) a statement whether the objector intends to appear at the Final Approval Hearing. The Settlement Class Member may include the basis for the objection. Unless the Court orders otherwise, any Settlement Class Member who does not submit a timely written objection to the Settlement, who fails to appear at the Final Approval Hearing to lodge his or her objection, or who fails to otherwise comply with the requirements of this Paragraph, will be foreclosed from objecting to the Settlement and seeking any adjudication or review of the Settlement, by appeal or otherwise.

20. “Notice Packet” or “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit A**.

21. “PAGA Period” means the period from June 21, 2022, through the earlier of (1) entry of an order granting preliminary approval of the settlement or (2) August 3, 2024.

22. “PAGA Settlement Amount” means the amount that the Parties agree to allocate to the PAGA Settlement Members and the California Labor and Workforce Development Agency (“LWDA”) in connection with resolution of the PAGA claims in the Action. The Parties agree that Ten Thousand Dollars (\$10,000.00) of the Gross Settlement Fund will be allocated to the resolution of PAGA Settlement Members’ claims arising under PAGA. As required by PAGA, Seventy-Five Percent (75%), or Seven Thousand, Five Hundred Dollars (\$7,500.00), of the PAGA Settlement Amount will be paid to the LWDA (“LWDA Payment”), and Twenty-Five Percent (25%), or Two Thousand, Five Hundred Dollars (\$2,500.00), of the PAGA Settlement Amount will be distributed to PAGA Settlement Members on a pro rata basis based on their respective number of “weeks worked” or “workweeks” during the PAGA Period.

23. “PAGA Settlement Members” means and includes: (1) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received a safety and/or ESOP incentive bonus during the PAGA Period, and (2) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received any other bonus(es) during the PAGA Period, and (3) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received any additional

compensation beyond the base hourly pay that should have been included in their regular rate of pay during the PAGA Period.

24. “Participating Settlement Class Members” means all Settlement Class Members who do not submit timely and valid Requests for Exclusion.

25. “Parties” means Named Plaintiff and Defendants, collectively.

26. “Preliminary Approval” means the Court order granting preliminary approval of this Settlement Agreement.

27. “Qualified Settlement Fund” means a fund, account, or trust satisfying the requirements of 26 C.F.R. § 1.468B-1, established by the Settlement Administrator for the purpose of distributing the Gross Settlement Fund according to the terms of this Settlement Agreement.

28. “Released Class Claims” means all claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal or equitable theories of relief (collectively “claims”) that have been alleged in the Action and PAGA notice(s), and those claims that are based on the facts and legal theories asserted in the operative pleadings of the Action and PAGA notice(s), and those claims which relate to the primary rights asserted in the operative pleadings and PAGA notice(s), and those claims that could have been brought based on the facts alleged in the Action including without limitation claims for: (1) failure to pay overtime in violation of Labor Code section 510; (2) failure to calculate the correct regular rate of pay for overtime; (3) failure to furnish accurate itemized wage statements in violation of Labor Code section 226(a), (3) failure to pay all wages at cessation of employment in violation of Labor Code sections 201 and 202; and (4) unlawful business practices under Unfair Competition Law including Business and Professions Code sections 17200 *et seq.* The period of the Released Class Claims shall extend to the limits of the Class Period. The res judicata effect of the Judgment will be the same as that of the Release.

29. “Released PAGA Claims” means any and all claims for civil penalties that were brought under the Private Attorneys General Act (Labor Code Sections 2698, *et seq.*) contained in Plaintiff’s pleadings in the Action and PAGA notice(s). In addition, “Released PAGA Claims” means and includes all claims for civil penalties that would be considered administratively exhausted under applicable law by the PAGA Notice sent by Plaintiff and/or her attorneys to the LWDA, and those

claims for civil penalties that could have been brought based on the facts alleged in the operative Complaint including without limitation PAGA claims for (1) failure to pay overtime in violation of Labor Code section 510; (2) failure to furnish accurate itemized wage statements in violation of Labor Code section 226(a); (3) failure to calculate regular rate of pay; (4) failure to pay all wages at cessation of employment in violation of Labor Code sections 201 and 202; and (5) failure to timely pay wages in violation of Labor Code section 204. The period of the Released PAGA Claims shall extend to the limits of the PAGA Period. The res judicata effect of the Judgment will be the same as that of the Release.

30. “Released Claims” means the Released Class Claims and the Released PAGA Claims.

31. “Released Parties” means Defendant and each of its past, present, and/or future, direct, and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, sureties, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint ventures.

32. “Request for Exclusion” means a letter timely submitted by a Settlement Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name and address of the Settlement Class Member requesting exclusion; (ii) include the case name and case number (iii) be signed by the Settlement Class Member; (iv) be returned to the Settlement Administrator; (v) clearly state that the Settlement Class Member does not wish to be included in the Settlement; and (vi) be faxed or postmarked on or before the Response Deadline.

33. “Response Deadline” means the deadline by which Settlement Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, Notices of Objection, or disputes as to workweeks. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the forty-fifth (45th) day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

34. “Settlement Administration Costs” means the reasonable fees and expenses payable from the Gross Settlement Fund to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking forms for this Settlement, calculating

1 estimated amounts per Settlement Class Member, tax reporting, distributing the LWDA Payment,
2 Gross Settlement Fund, and Class Counsel Award, providing necessary reports and declarations, and
3 other duties and responsibilities set forth herein to process this Settlement, as requested by the Parties.
4 The Parties have agreed to allocate up to \$5,950.00 to Settlement Administration Costs. The Settlement
5 Administration Costs will be paid from the Gross Settlement Fund. In the event the allocated
6 Settlement Administration Costs exceed the actual costs incurred by the Settlement Administrator, the
7 difference shall be a part of the Net Settlement Amount and distributed to the Participating Settlement
8 Class Members.

9 35. "Settlement Administrator" means ILYM Group, Inc. which the Parties have agreed to,
10 subject to approval by the Court for the purposes of administering this Settlement. The Parties each
11 represent that they do not have any financial interest in the Settlement Administrator or otherwise have
12 a relationship with the Settlement Administrator that could create a conflict of interest.

13 36. "Settlement Class Member(s)" or "Settlement Class" means and includes: (1) all
14 individuals who have worked, or who continue to work, for Defendant in California as a non-exempt
15 employee who received a safety and/or ESOP incentive bonus during the Class Period, and (2) all
16 individuals who have worked, or who continue to work, for Defendant in California as a non-exempt
17 employee who received any other bonus(es) during the Class Period, and (3) all individuals who have
18 worked, or who continue to work, for Defendant in California as a non-exempt employee who received
19 any additional compensation beyond the base hourly pay that should have been included in their regular
20 rate of pay during the Class Period.

21 III. TERMS OF AGREEMENT

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

23 37. Second Amended Complaint. Prior to filing a Motion for Preliminary Approval, the
24 Plaintiff will file (and Defendant will stipulate to leave to amend), a Second Amended Complaint to
25 add allegations with regard to class allegations with the putative class period of June 21, 2022, to either
26 (1) the date a signed order preliminarily approving the settlement is filed, or (2) August 3, 2024,
27 whichever is earlier. Plaintiff will also include her alleged individual Labor Code violations and
28 individual PAGA claims. Counsel for Defendant will accept service of the amended complaint.

38. Preliminary Approval Motion. The Parties agree to present the Settlement to the Court for Preliminary Approval, and consent to continued jurisdiction in said Court if Preliminary Approval is granted. Plaintiff further agrees to make a good-faith effort to file a Motion for Preliminary Approval, including all executed and necessary exhibits, within sixty (60) calendar days of executing this Settlement Agreement.

39. Funding of the Gross Settlement Fund and Employer's Payroll Tax Payments. By the Funding Date, Defendants will make a one-time deposit of the Gross Settlement Fund of One Hundred Fifty Thousand Dollars (\$150,000.00) plus the Employer's Payroll Tax Payments into a Qualified Settlement Fund to be established by the Settlement Administrator in exchange for the promises set forth in this Settlement Agreement, including the Releases by the Participating Settlement Class Members, PAGA Settlement Members, and Plaintiff for the Released Claims. The Individual Settlement Payments are not being made for any other purpose and will not be construed as compensation for purposes of determining eligibility for any health and welfare benefits or unemployment compensation. After the Effective Date, the Gross Settlement Fund will be used to pay: (i) Individual Settlement Payments; (ii) the PAGA Settlement Amount; (iii) Individual PAGA Payments; (iv) the Class Representative Enhancement Payment; (v) the Class Counsel Award; (vi) attorneys' fees and costs; and (vii) Settlement Administration Costs.

40. Non-Reversionary Settlement. Participating Settlement Class Members are entitled to one hundred percent (100%) of the Net Settlement Amount, to be distributed as outlined in Paragraph 18. Defendants maintain no reversionary right to any portion of the Net Settlement Amount, including any increase in the Net Settlement Amount resulting from a reduction in the Class Representative Enhancement Payment, Class Counsel Award, the PAGA Settlement Amount, and/or the Settlement Administration Costs. If there are any timely submitted opt outs or a reduction in the Class Representative Enhancement Payments, Class Counsel Award, the PAGA Settlement Amount, and/or the Settlement Administration Costs, the Settlement Administrator shall proportionately increase the Individual Settlement Payments for each Participating Settlement Class Member so that the amount actually distributed to Participating Settlement Class Members equals one hundred percent (100%) of

the corresponding Net Settlement Amount. If the amount of the Employer's Payroll Tax Payment is overestimated, however, funds equivalent to the overestimated amount shall revert to Defendants.

41. Escalator Clause. Defendant represents that there are 114 Settlement Class Members falling within the Class Period. In the event the number of Class Members included in the Class Period is more than 129 (i.e., greater than 13% more than 114), the Gross Settlement Fund shall be increased by ½% (.005 in decimals) for each class member in excess of 114. For example, if there were 114 Class Members represented to exist during the Class Period, but there are actually 134 Class Members in the Class Period, Defendant would have to increase the Gross Settlement Fund by 10%.

42. Attorneys' Fees and Costs. Class Counsel shall apply to the Court for attorneys' fees of not more than one-third (1/3) of the Gross Settlement Fund, or Fifty Thousand Dollars (\$50,000.00) plus reasonable costs and expenses in an amount not to exceed Seven Thousand Dollars (\$7,000.00) subject to proof by Class Counsel. The Settlement Administrator (and not Defendant) shall issue an IRS Form 1099 to Class Counsel reflecting the Class Counsel Award.

43. Class Representative Enhancement Payment. In exchange for general releases of all known and unknown claims that she may have against Defendant and Released Parties based on her employment with Defendant (including a waiver of claims under Civil Code section 1542), and in recognition of her service to the class, Plaintiff shall apply for a Class Representative Enhancement Payment of Ten Thousand Dollars (\$10,000.00). The Class Representative Enhancement Payment will be paid from the Gross Settlement Fund and will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement Agreement. The Settlement Administrator (and not Defendants) shall issue an IRS Form 1099 to Plaintiff reflecting her Class Representative Enhancement Payment. Plaintiff agrees to assume responsibility for remitting to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority the amounts to be deduced by law, if any, from the Class Representative Enhancement Payment. In addition, Plaintiff shall hold Defendants and the Released Parties harmless and indemnify and defend Defendants and the Released Parties for all taxes, interest, penalties, and costs incurred by Defendants or the Released Parties in connection with any claims relating to their non-withholding of taxes from the Class Representative Enhancement Payment.

1 44. Individual Settlement Agreement. Plaintiff has also separately agreed to settle all other
2 individual claims including but not limited to claims for wrongful termination, disability
3 discrimination, failure to accommodate, failure to engage in the interactive process, retaliation, and
4 failure to prevent discrimination and retaliation. The specific terms of this settlement were negotiated
5 separately and apart from this Settlement Agreement, will be paid from separate funds, and are
6 memorialized in the Parties' Individual Settlement Agreement. The Class will be apprised of the
7 Individual Settlement Agreement. If this Class and PAGA Settlement agreement is not approved by
8 the Court, Defendant can withdraw from the Individual Settlement Agreement and it will have not
9 binding effect.

10 45. Settlement Administration Costs. The Settlement Administrator will be paid for the
11 reasonable costs it incurs for purposes of administering the Settlement and distributing payments from
12 the Gross Settlement Fund. These costs, which will be paid from the Gross Settlement Fund, will
13 include, inter alia, calculating, paying, and reporting the required tax payments on the Individual
14 Settlement Payments; the issuing and collection of 1099 and W-2 IRS Forms; distributing Notice
15 Packets; processing Requests for Exclusion, Notices of Objection, and workweek disputes; performing
16 skip trace on Notice Packets returned as undeliverable; calculating and distributing from the Gross
17 Settlement Fund all Individual Settlement Payments, the PAGA Settlement Amount, Class
18 Representative Enhancement Payments, and the Class Counsel Award; and providing necessary reports
19 and declarations, among other tasks that the parties may agree upon or as set forth in this Agreement.

20 46. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
21 of Ten Thousand Dollars (\$10,000.00) from the Gross Settlement Fund will be designated for
22 satisfaction of Plaintiff's and PAGA Settlement Members' PAGA claims. Pursuant to PAGA, Seventy-
23 Five Percent (75%), or Seven Thousand, Five Hundred Dollars (\$7,500.00), of the PAGA Settlement
24 Amount will be paid to the LWDA, and Twenty-Five Percent (25%), or Two Thousand, Five Hundred
25 Dollars (\$2,500.00), will be distributed on a pro rata basis to the PAGA Settlement Members based on
26 the number of "weeks worked" or "workweeks" during the PAGA Period. This amount will not revert
27 to Defendants.

47. Net Settlement Amount. The entire Net Settlement Amount will be distributed to Participating Settlement Class Members as provided in Paragraphs 18 and 39. No portion of the Net Settlement Amount will revert to or be retained by Defendants.

48. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned on a pro rata basis from the Net Settlement Amount to Settlement Class Members who do not opt out depending on the number of “weeks worked” or “workweeks” (defined as any workweek during the Class Period) in which a Settlement Class Member performed at least one day of work for Defendant. Settlement Class Members do not need to submit a claim to participate and receive their Individual Settlement Payment.

49. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the 25% portion of the PAGA Settlement Amount allocated to PAGA Settlement Members on a pro rata basis depending on the number of “weeks worked” or “workweeks” in which a PAGA Settlement Member performed at least one day of work for Defendant during the PAGA Period. PAGA Settlement Members do not need to submit a claim to participate in the PAGA portion of the Settlement and also may not opt out of the resolution of the PAGA claim.

50. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Settlement Class Members and Individual PAGA Payments made to PAGA Settlement Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’ intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any benefit plans. For the avoidance of doubt, no Settlement Class Member shall be entitled to any additional right, contribution, or amount under any benefit plan as a result of this Settlement or payments made hereunder.

51. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement.

52. Notice to Labor and Workforce Development Agency. Upon the filing of the Motion for Preliminary Approval, Class Counsel will notify the LWDA of this Settlement Agreement. Within ten (10) calendar days of the entry of the Court's order granting Preliminary Approval and of the Court's entry of Judgment, Class Counsel will provide the LWDA with copies of that order and Judgment, respectively, consistent with Paragraph 29 of this Agreement and California Labor Code sections 2699(I)(1)–(3).

53. Preparation of the Class List. Within fifteen (15) calendar days of the entry of the Court's order granting Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator. Within fifteen (15) calendar days after the Response Deadline, the Settlement Administrator will provide to counsel for Defendant the list of Participating Settlement Class Members, which, unless the Court orders otherwise, shall exclude individuals who filed a timely Request for Exclusion.

54. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days after receiving the Class List from Defendant, the Settlement Administrator will send a Notice Packet to all Settlement Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

55. Confirmation of Contact Information in the Class Lists and Resending Notices Where Initial Notice is Returned as Non-Deliverable. Prior to the initial distribution of Notice Packets, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct any known or identifiable address changes for those Settlement Class Members who do not have a mailing address included in the Class List. Notice Packets sent via regular First-Class U.S. Mail and returned to the Settlement Administrator as non-deliverable on or before the Response Deadline, will be sent promptly via regular First-Class U.S. Mail within five (5) business days of receipt to any forwarding address affixed thereto and the Settlement Administrator will indicate the date of such remailing on the Notice Packet. If no forwarding address is provided, the Settlement

1 Administrator will promptly attempt to determine the correct address using a skip-trace or other search
2 using the name, address, and/or Social Security number of the Settlement Class Member involved, and
3 will then perform a single re-mailing within five (5) business days of receipt of the returned Notice
4 Packet. Settlement Class Members will have until the later of ten (10) calendar days from the date of
5 the re-mailing of the Notice Packet or the Response Deadline, to submit a Notice of Objection, Request
6 for Exclusion, or workweeks dispute.

7 56. Notice Packets. All Settlement Class Members will be sent a Notice Packet. Each
8 Notice Packet will provide: (i) information regarding the nature of the Action; (ii) a summary of the
9 Settlement Agreement's principal terms; (iii) the Settlement Class definition; (iv) the number of
10 workweeks each respective Settlement Class Member worked for Defendants during the Class Period;
11 (v) each Settlement Class Member's estimated Individual Settlement Payment; (vi) each PAGA
12 Settlement Member's estimated Individual PAGA Payment; (vii) the dates comprising the Class Period
13 and the PAGA Period; (viii) instructions on how to submit Requests for Exclusion, Notices of
14 Objection, and workweeks disputes; (ix) the deadlines by which the Settlement Class Member must
15 postmark or fax Requests for Exclusion, Notices of Objection, and workweeks disputes; (x) the claims
16 to be released; and (xi) the Settlement Administrator's contact information, including the website
17 address where the electronic versions of the materials in the Notice Packet will be available. Settlement
18 Class Members and PAGA Settlement Members will be specifically informed that neither Defendants
19 nor Class Counsel make any representations regarding the tax implications of any amounts paid under
20 this Settlement Agreement and that if Settlement Class Members or PAGA Settlement Members have
21 any questions regarding those implications, they can and should consult a tax expert. The Parties'
22 proposed Notice Packet is attached hereto as **Exhibit A**.

23 57. Disputed Information in Notice Packets. Settlement Class Members will have an
24 opportunity to dispute the work week information provided in their Notice Packets. To the extent
25 Settlement Class Members dispute their employment dates or the number of workweeks on record,
26 Settlement Class Members may produce evidence to the Settlement Administrator by the Response
27 Deadline showing that such information is inaccurate. The Settlement Administrator will decide the
28 dispute. Defendant's records will be presumed correct, but the Settlement Administrator will evaluate

the evidence submitted by the Settlement Class Member and will make the final decision as to the merits of the dispute. All disputes will be decided by the Settlement Administrator within fifteen (15) business days of the Response Deadline. If the Settlement Class Member claims additional workweeks were worked during the Class Period or PAGA Period, then Defendant can dispute the amount and the Court will resolve the issue based on records presented.

58. Request for Exclusion Procedures. Any Settlement Class Member wishing to opt out of the Settlement Agreement must sign and fax or mail a written Request for Exclusion to the Settlement Administrator by the Response Deadline. In the case of Requests for Exclusion that are mailed to the Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. Consistent with California law, PAGA Settlement Members may not opt out of the PAGA Settlement. Any Settlement Class Member who timely submits a Request for Exclusion from the Settlement Class will still receive an Individual PAGA Payment representing their portion of the PAGA Settlement Amount. All signatories to this agreement and their counsel must not encourage opt-outs. The Parties specifically agree not to solicit opt-outs, directly or indirectly, through any means. Objective statements to Settlement Class Members who call Class Counsel with inquiries regarding the Settlement Agreement, or the exercise of Class Counsel's ethical obligations, shall not be deemed a violation of the prohibitions contained herein.

59. Defective Submissions. If a Settlement Class Member's Request for Exclusion is defective as to the requirements listed herein, that Settlement Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will send the Settlement Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Settlement Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Settlement Administrator will send the cure letter by the last method by which the Settlement Administrator sent the Notice Packet to the Settlement Class Member. The Settlement Class Member will have until the later of (i) the Response Deadline or (ii) seven (7) calendar days from the date of the cure letter to postmark or fax a revised Request for Exclusion. If the revised Request for Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

60. Cancellation of Settlement Agreement. Within fourteen (14) calendar days of the Response Deadline, as defined in the Court's Order granting Preliminary Approval of the Settlement, Defendants will have the option, in their sole discretion, to void the Settlement Agreement in its entirety if ten percent (10%) or more of all individuals eligible to become members of the Settlement Class submit timely and valid Requests for Exclusion or are otherwise deemed by the Court not to be bound by the Settlement. If Defendants exercise this option, they shall be responsible for all reasonable Settlement Administration Costs incurred to the date of cancellation.

61. Releases.

a. Release of Class Claims by Participating Settlement Class Members. The Parties agree that upon the Effective Date and Defendant's full funding of the Gross Settlement Fund, it is their intent that the terms set forth in this Settlement Agreement will release any further attempt by lawsuit, administrative claim or action, arbitration, demand, claims for civil penalties, or other action of any kind by each and all of the Participating Settlement Class Members, who shall release their right to pursue any and all claims against the Released Parties for the Released Class Claims, as fully described in Paragraph 28, arising during the Class Period.

b. Release of PAGA Claims by PAGA Settlement Members. The Parties agree that upon the Effective Date and Defendant's full funding of the Gross Settlement Fund, it is their intent that the terms set forth in this Settlement Agreement will release any further attempt by lawsuit, administrative claim or action, demand, claims for civil penalties, or other action of any kind by each and all of the PAGA Settlement Members, who shall release their right to pursue any and all claims against the Released Parties for the Released PAGA Claims, as fully described in Paragraph 29, arising during the PAGA Period.

c. Release of Claims by Plaintiff. Upon the Effective Date and Defendant's full funding of the Gross Settlement Fund, in addition to the claims being released by all Participating Settlement Class Members and PAGA Settlement Members, Plaintiff will release and forever discharge the Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which Plaintiff has or may have against the Released Parties based in any way on, or otherwise related to or arising from, her employment with Defendants as of the date

of execution of this Settlement Agreement. The releases include, but are not limited to, all disputes relating to or arising out of any state, local, or federal statute, ordinance, regulation, order, or common law, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000(e) *et seq.*; the Civil Rights Act of 1866, as amended, 42 U.S.C. §§ 1981 *et seq.*; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. §§ 201 *et seq.* and Code of Federal Regulations; the Orders of the California Industrial Welfare Commission regulating wages, hours and working conditions; the California Fair Employment & Housing Act, as amended, Cal. Govt. Code §§ 12900 *et seq.*; the California Family Rights Act of 1991, as amended; Cal. Govt. Code § 12945.2; the California Unruh Civil Rights Act, as amended, Cal. Civ. Code §§ 51 *et seq.*; the California Labor Code (including any claim for civil penalties under the California Labor Code Private Attorneys General Act); the California Government Code; Article 1 of the California Constitution; the Rehabilitation Act of 1973, as amended, 29 U.S.C. §§ 701 *et seq.*; the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12100, *et seq.*; the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601, *et seq.* and any state law equivalent; the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*; the National Labor Relations Act, as amended, 29 U.S.C. §§ 151 *et seq.*; California Business and Professions Code §§ 17200 *et seq.*; other statutory and common law claims; statutory or common law rights to attorneys' fees and costs, penalties/fines, and/or punitive damages; any action based on contract, quasi-contract, quantum meruit, implied contract, tort, wrongful or constructive discharge, breach of the covenant of good faith and fair dealing, defamation, libel, slander, immigration issues, infliction of emotional distress, negligence, assault, battery, conspiracy, harassment, retaliation, discrimination on any basis prohibited by statute or public policy, conversion, any interference with business opportunity or with contract or based upon any other theory; and/or similar causes of action. Specifically excluded from this release are Plaintiff's individual claims for wrongful termination, disability discrimination, failure to accommodate, failure to engage in the interactive process, retaliation, and failure to prevent discrimination and retaliation, which are the subject of the Parties' Individual Settlement Agreement.

d. Plaintiff's General Release. Upon the Effective Date, to the extent allowed by California law, Plaintiff waives all rights and benefits afforded by section 1542 of the California Civil Code as to any Released Claims. Section 1542 provides:

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

62. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Settlement Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion (*i.e.*, all Participating Settlement Class Members) will be bound by all of its terms, including those pertaining to the Released Class Claims and Released PAGA Claims (collectively, the "Released Claims"), as well as any Judgment that may be entered by the Court if it grants final approval of the Settlement. The Settlement Agreement shall constitute, and may be pleaded as, a complete and total defense to any Released Claims currently pending or raised in the future. Notwithstanding the foregoing, this Settlement Agreement, if approved, precludes further PAGA claims irrespective of whether a Request for Exclusion is submitted. As a result, all PAGA Settlement Members—regardless of whether they submit a Request for Exclusion—shall receive a check for their share of the PAGA Settlement Amount when settlement payments are delivered, and they will be bound by a release of the PAGA claims as outlined in Paragraph 60(b).

63. Notice of Objection Procedures. To object to the Settlement Agreement, a Settlement Class Member must mail or fax a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and contain all information required by this Settlement Agreement. The postmark or fax-stamp date will be deemed the exclusive means for determining that the Notice of Objection is timely. The Settlement Administrator will notify any person from whom it receives a Notice of Objection that is not timely and/or valid if, in fact, such Notice of Objection is not timely and/or valid. Any disputes regarding the timeliness, validity, or effectiveness of a Notice of Objection shall be decided by the Settlement Administrator consistent with the terms of this Agreement, and with the Parties' input, if appropriate. Settlement Class Members who fail to object in the manner specified above will be

deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement, unless they appear at the Final Approval Hearing and state their objection at that time. Settlement Class Members who submit timely Notices of Objection may appear at the Final Approval Hearing to have their objections heard by the Court. If the Court permits, Settlement Class Members who have not submitted a written Notice of Objection in compliance with the Settlement Agreement may still appear at the Final Approval Hearing and present their objections. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to submit written objections to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Class Counsel will not represent any Settlement Class Members with respect to any such objections to this Settlement.

64. Certification Reports Regarding Individual Settlement Payment Calculations. The Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report that identifies the number of Settlement Class Members who have submitted valid Requests for Exclusion, or objected to the Settlement, and whether any Settlement Class Member has submitted a challenge to any information contained in his or her Notice Packet as provided in Paragraph 57. Additionally, the Settlement Administrator will provide counsel for both Parties with any updated reports regarding the administration of the Settlement Agreement as needed or requested, as consistent with the terms of the Settlement Agreement.

65. Distribution Timing of Individual Settlement Payments. The Settlement Administrator will distribute the funds in the Gross Settlement Fund within the period set forth with respect to each category of payment.

a. Class Counsel Award and Class Representative Enhancement Payments: Within twenty-one (21) calendar days of the Funding Date, the Settlement Administrator will issue payments for the Class Counsel Award and Class Representative Enhancement Payment in the amounts awarded by the Court.

b. Individual Settlement Payment and PAGA Settlement Amount: Within twenty-one (21) calendar days of the Funding Date, the Settlement Administrator will issue the LWDA Payment to the LWDA, the Individual Settlement Payments to the Participating Settlement Class

Members, and the Individual PAGA Payments to the PAGA Settlement Members. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement in the amount approved by the Court.

c. Payroll Tax Payments and Penalties: The Settlement Administrator will also transmit Defendants' share of applicable Employer's Payroll Tax Payments and penalties to the appropriate government authorities.

66. Un-cashed Settlement Checks. Individual Settlement Payments and/or Individual PAGA Payment checks remaining uncashed for more than one hundred eighty (180) calendar days after issuance will be void. Funds from the uncashed checks shall be distributed to Court Appointed Special Advocates of Stanislaus County, a non-profit child advocacy program that is an appropriate *cy pres* beneficiary pursuant to Code of Civil Procedure § 384.

67. Certification of Completion. Upon completion of the 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.

68. Treatment of Individual Settlement Payments. For tax purposes, the Individual PAGA Payments from the PAGA Settlement Amount will be treated as 100% penalties and will be reported on IRS Form 1099. Individual Settlement Payments will be allocated as follows: (i) One-third (33 1/3%) to settlement of wage claims and (ii) Two-thirds (66 2/3%) to settlement of claims for interest and statutory penalties. The portion allocated to wages shall be reported on an IRS Form W-2 and the portion allocated to interest and penalties shall be reported on an IRS Form 1099 by the Settlement Administrator. Plaintiff and Participating Settlement Class Members shall be solely responsible for taxes associated with the 1099 and W-2 payments, with the exception of employer payroll taxes. Participating Settlement Class Members shall be responsible for remitting to state and/or federal taxing authorities any applicable other taxes due. Neither this Agreement, nor any of its attachments, should be interpreted to contain or constitute representations or advice regarding any U.S. federal or state tax issue.

69. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Settlement Class Members,

PAGA Settlement Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding Defendant's share of applicable employer payroll tax payments and penalties to the appropriate government authorities. All Settlement Class Members, including Plaintiff, Participating Settlement Class Members and PAGA Settlement Members, shall be solely and exclusively responsible for remitting to state and/or federal taxing authorities any applicable other taxes due and shall hold Defendant and the Released Parties harmless for any taxes, penalties, interest, liabilities, costs, and expenses caused by any such taxing authority relating in any way to the Settlement Class Members', including Plaintiff's, PAGA Settlement Members' and Participating Settlement Class Members', tax treatment of payments made to them pursuant to this Settlement or failure to timely or properly pay any taxes owed on their respective Individual Settlement Payment or Individual PAGA Payment.

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

71. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY," AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT

BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

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

73. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement (and any executed Memorandum of Understanding) will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

74. Termination of Settlement Agreement. Plaintiff and Defendant will each have the right to unilaterally terminate this Settlement Agreement by providing written notice of their election to do so ("Termination Notice") to all other Parties hereto within ten (10) business days of any of the following occurrences; provided, however, that the Parties agree to cooperate in good faith to address any issues the Court raises in connection with issuing Preliminary and/or Final Approval of the Settlement:

- a. ten percent (10%) or more of the Settlement Class Members request exclusion from the Settlement Class;

- b. the Court rejects, materially modifies, materially amends or changes, or declines to issue a Preliminary Approval Order or a Final Approval Order with respect to the Settlement Agreement, but only if the Parties are not permitted to remedy any deficiencies the Court identifies;
- c. an appellate court reverses the Final Approval Order, and the Settlement Agreement is not reinstated without material change by the Court on remand; or
- d. any court incorporates terms into, or deletes or strikes terms from, or modifies, amends, or changes the Preliminary Approval Order, the Final Approval Order, or the Settlement Agreement in a way that Plaintiff or Defendant reasonably consider material, unless the modification or amendment is accepted in writing by all Parties, except that, as provided above, the Court's approval of Attorneys' Fees and Costs and Class Representative Enhancement Payment, or their amounts, is not a material condition of the Settlement Agreement.

75. Reversion Nunc Pro Tunc. If this Settlement Agreement is terminated pursuant to its terms, or the Effective Date for any reason does not occur: (a) all Orders certifying the Settlement Class for purposes of effectuating this Settlement, and all preliminary and/or final findings regarding the Settlement Class, shall be void *ab initio* and automatically vacated upon notice to the Court, and (b) the Action shall proceed as though the Settlement Class had never been certified pursuant to this Settlement Agreement and such findings had never been made.

76. Preliminary Approval Hearing. Plaintiff will obtain a hearing date before the Court to request the Preliminary Approval of the Settlement Agreement and the entry of an order: (i) conditionally certifying the Settlement Class for settlement purposes only; (ii) granting preliminary approval to the proposed Settlement Agreement; (iii) setting a deadline for Class Counsel to file an application for Attorneys' Fees and Costs and an application for a Class Representative Enhancement Payment for Plaintiff; and (iv) setting a date for a Final Approval Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Settlement Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice Packet, which will

include the proposed Notice of Class Action Settlement, attached as **Exhibit A**. Class Counsel will be responsible for drafting all documents necessary to obtain preliminary approval.

77. Final Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to postmark Requests for Exclusion or Notices of Objection (and no earlier than one hundred (100) calendar days after the date on which Plaintiff files her Motion for Preliminary Approval) and with the Court's permission, a Final Approval Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (i) Individual Settlement Payments (including all applicable taxes); (ii) the PAGA Settlement Amount; (iii) the Class Representative Enhancement Payment; (iv) the Class Counsel Award; and (v) all Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the Class Counsel Award and Class Representative Enhancement Payment application to be heard at the Final Approval Hearing, which may be filed concurrently with a motion requesting final approval.

78. Final Approval Order to Include Dismissal of Individual Claims with Prejudice. The Parties will include in their proposed Final Approval Order a dismissal of Plaintiff's Individual Claims with Prejudice.

79. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the Court or after the Final Approval Hearing, Class Counsel will present a proposed form of Judgment to the Court for its approval that (i) approves the Settlement Agreement, adjudging the terms thereof to be fair, reasonable, adequate, and directing consummation of its terms and provisions; (ii) approving Class Counsel's application for an award of Attorneys' Fees and Costs; (iii) approving the Class Representative Enhancement Payment; (iv) approving the PAGA Settlement Amount; (v) approving the Settlement Administrator's fees from the Gross Settlement Amount; and (vi) barring all Participating Settlement Class Members and PAGA Settlement Members from prosecuting against the Released Parties, or any of them, any of the Released Claims. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement; (ii) Settlement administration matters; and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

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

4 81. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
5 entirety of the Parties' settlement terms and, should this Settlement Agreement receive Final Approval,
6 its terms will supersede all prior written or oral agreements between the Parties other than the separately
7 executed Individual Settlement Agreement between Plaintiff and Defendant.

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

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

19 84. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
20 and inure to the benefit of, the successors or assigns of the Parties.

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

23 86. Execution and Counterparts. This Settlement Agreement is subject to the execution of
24 all Parties. The Settlement Agreement may be executed in one or more counterparts. All executed
25 counterparts and each of them, including facsimile and scanned copies of the signature page, will be
26 deemed to be one and the same instrument.

27 87. Acknowledgement that the Settlement Is Fair and Reasonable. The Parties believe this
28 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at

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

5 88. 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 89. Waiver of Certain Appeals. With the exception of a right to appeal the reduction of any
10 award of attorneys' fees, costs, and expenses as provided herein, Plaintiff and Defendant hereby waive
11 their right to appeal or seek other judicial review of any order that is materially consistent with the
12 terms of this Settlement Agreement.

13 90. Class Certification for Settlement Purposes Only. The Parties stipulate to class
14 certification of any claims not yet certified for purposes of implementing the Settlement only, and in
15 no way is that an admission by Defendant that class certification is proper. The Settlement will not be
16 admissible in any proceeding as evidence that (i) a class or collective should be certified as Plaintiff
17 has proposed for any claims, including but not limited to any currently non-certified claims; (ii) the
18 Action should proceed on a representative basis pursuant to PAGA; or (iii) Defendant is liable to
19 Plaintiff or any other individuals they claim to represent in the Action in connection with any claims
20 that were or could have been asserted in the Action.

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

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

6 92. Media Restrictions. The Parties and their counsel agree that they will not issue any
7 press releases or initiate any contact with the media about the fact, amount, or terms of the Settlement.
8 Unless required by applicable law, neither Plaintiff nor Class Counsel shall publicize the terms of this
9 Settlement Agreement in any medium or initiate or issue any press release or have any communications
10 to the press or media concerning the Action, the Settlement of the Action, and/or this Settlement
11 Agreement, except as posted by the Settlement Administrator as ordered by the Court. Class Counsel
12 shall not include, and shall affirmatively remove, any reference to any of the foregoing subjects in any
13 advertising, mass mailing, website, or other communication. If counsel for either Party receives an
14 inquiry about the Settlement from the media, counsel may respond only after the motion for Preliminary
15 Approval has been filed and only by confirming the terms of the Settlement. Notwithstanding the
16 foregoing, nothing will prevent Class Counsel from communicating confidentially with Settlement
17 Class Members as necessary to fulfill their obligations as Class Counsel. Additionally, this provision
18 shall not preclude Class Counsel from referencing this Settlement (by case name and number only) as
19 evidence of their experience in any motion for class certification, preliminary or final approval, or the
20 like, in any other matter.

21 93. Waiver. No waiver of any condition or covenant contained in this Settlement
22 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to
23 imply or constitute a further waiver by such party of the same or any other condition, covenant, right,
24 or remedy.

25 94. Enforcement Actions. In the event that one or more of the Parties institutes any legal
26 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
27 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
28

entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

95. Disputes Regarding Settlement Agreement. In the event that there are any disputes arising out of or relating to the implementation of this Settlement Agreement, any such dispute may be submitted to Hon. William C. Pate (Ret.) or a mutually agreeable mediator for mediation, or to the court.

96. 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 arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

97. 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 advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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

99. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

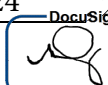
100. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, with retention of jurisdiction by the Court as provided herein, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms. The Parties agree this Settlement Agreement is enforceable pursuant to California Code of Civil Procedure section 664.6.

SIGNATURE PAGES FOLLOW

READ CAREFULLY BEFORE SIGNING.

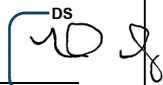
Denise

Dated: July 24, 2024


DD2D7CDEFC2B434...

By: _____

Denise Jacobs
Plaintiff and Class Representative



Dated: July 23, 2024

By: _____

Aaron Piper, President
Hydraulic Controls, Inc.
Defendant



APPROVED AS TO FORM

Dated: July _____, 2024

DONAHUE FITZGERALD, LLP

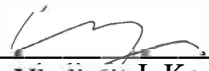
By: _____

Andrew R. Shalauta
Melanie Y. Kim
Attorneys for Defendants

Dated: July 25, 2024

MAYALL HURLEY, P.C.

By: _____

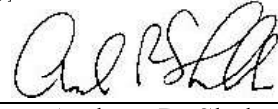

Vladimir J. Kozina
William J. Gorham, III
Robert J. Wassermann
Attorneys for Plaintiff

APPROVED AS TO FORM

Dated: July 23, 2024

DONAHUE FITZGERALD, LLP

By: _____



Andrew R. Shalauta
Melanie Y. Kim
Attorneys for Defendants

Dated: July _____, 2024

MAYALL HURLEY, P.C.

By: _____

Vladimir J. Kozina
William J. Gorham, III
Robert J. Wassermann
Attorneys for Plaintiff

Exhibit A

SUPERIOR COURT OF CALIFORNIA
COUNTY OF STANISLAUS

DENISE JACOBS, Individually and on
Behalf of Others Similarly Situated,

Plaintiff,

vs.

HYDRAULIC CONTROLS, INC.; and
DOES 1-100, inclusive,

Defendants.

Case No.: CV-23-003469

**NOTICE OF PENDENCY OF CLASS ACTION,
PRELIMINARY APPROVAL OF SETTLEMENT
AND HEARING FOR FINAL APPROVAL**

**IMPORTANT: THIS LEGAL NOTICE AFFECTS YOUR RIGHTS. PLEASE READ IT
CAREFULLY. YOU ARE NOT BEING SUED.**

TO: All individuals who have worked, or who continue to work, for Defendant Hydraulic Controls, Inc. ("Defendant") in California as a non-exempt employee and who received a safety and/or ESOP incentive bonus, and/or other alleged non-discretionary bonus, and/or who did not receive compensation from bonuses in their regular rate of pay during the period of June 21, 2022 through [EARLIER OF DATE OF PRELIM APPROVAL ORDER OR AUG 3, 2024].

RE: Notice of settlement of a class action lawsuit for alleged wage and hour violations and announcement of a court hearing that you may choose to attend. You are entitled to receive a payment under the terms of this class action settlement.

YOUR OPTIONS UNDER THIS SETTLEMENT:

DO NOTHING	If you do nothing, you will be included as a member of the class, you will be bound by this Settlement, and you will receive a payment.
OBJECT	You may submit a written objection to the Settlement Administrator, ILYM Group, Inc, about why you believe that the Settlement is unfair, and they will forward your concerns to the attorneys representing the Settlement Class Members, and the attorney representing the Defendant which will then be provided to the Court. Any objection must be received by [REDACTED], 2024. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement.
OBJECT AND GO TO A HEARING	If you submit a written objection about why you believe that the Settlement is unfair, you may also speak to the Court about why you believe that the Settlement is unfair. You or your attorney may also address the Court during the Final Approval Hearing scheduled for _____ in Department ____ of the Stanislaus County Superior Court, located at _____. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement.

**EXCLUDE
YOURSELF**

If you wish to be excluded from the Settlement, you must submit a written election not to participate known as an “opt-out” by no later than [REDACTED], 2024. If you opt-out, you will not be bound by the Settlement and will not receive a payment. You will still be deemed an “Aggrieved Employee” and you will still receive your share of the proceeds available from the settlement of the PAGA Released Claims, defined below (your “Individual PAGA Payment”), even if you opt out of the class settlement.

1. WHAT IS THIS LAWSUIT ABOUT?

On June 21, 2023, Plaintiff Denise Jacobs (“Plaintiff”) filed a notice with the California Labor and Workforce Development Agency (“LWDA”), serving a copy of same on Defendant Hydraulic Controls, Inc. (“Defendant”) by certified mail, alleging various wage and hour violations by Defendant, specifically violations of Labor Code sections 201, 202, 204, 226(a)(1), 226(a)(5), 226(a)(9), and 510.

Plaintiff filed a class and representative action on June 23, 2023, entitled *Jacobs v. Hydraulic Controls, Inc., et al.*, Case No. CV-23-003468, in the Superior Court of California for the County of Stanislaus, against Defendant. On August 28, 2023, Plaintiff filed a First Amended Complaint adding claims under the California Private Attorneys General Act of 2004 (“PAGA”). On [DATE], Plaintiff filed a Second Amended Complaint.

Plaintiffs is represented by Mayall Hurley P.C., which has been appointed by the Court to act as attorneys for the Class (referred to as “Class Counsel”).

In sum, Plaintiff alleges that Defendants failed to do the following with respect to Plaintiff and other current and former non-exempt employees in California: 1) failed to properly calculate and pay overtime, 2) failed to pay wages due at cessation of employment, 3) failed to furnish accurate itemized wage statements, 4) engaged in unfair business practices based on the foregoing, and 5) representative claims under the California Labor Code Private Attorneys’ General Act based on these allegations as well as a claim for failure to reimburse for business expenses.

Defendant strongly denies liability for all of Plaintiff’s claims and has raised various factual and legal defenses to these claims. Defendant has agreed to the proposed settlement without any admission of wrongdoing.

The Court has made no determination about the strengths and weaknesses of the claims or contentions of either Plaintiff or Defendant. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claims or defenses asserted by either side. There have been ongoing investigations and substantial exchanges of information. As a result of settlement discussions, the Parties reached a class settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

2. WHY DID I RECEIVE THIS NOTICE?

The Parties have settled this class action lawsuit. Your employment records indicate that you are a member of the Class. If the Court approves the proposed settlement, your legal rights may be affected. This Notice, which has been approved by the Court, is only a summary. A more detailed document, called the “Class Action and PAGA Settlement Agreement and Release”, containing the complete terms of the settlement, is on file with the Court. If the Court approves the settlement and then any objections and

appeals are resolved, a “Settlement Administrator” appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them and how to get them.

3. WHO IS COVERED BY THE CLASS ACTION AND PROPOSED SETTLEMENT?

A. Who are the Class Members?

The proposed settlement covers the claims of certain current and former employees of Defendant (referred to as the “Settlement Class Members” and collectively as the “Settlement Class”). “Settlement Class Member(s)” or “Settlement Class” means and includes: (1) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received a safety and/or ESOP incentive bonus during the Class Period, and (2) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received any other bonus(es) during the Class Period, and (3) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received any additional compensation beyond the base hourly pay that should have been included in their regular rate of pay during the Class Period. The “Class Period” means from June 21, 2022, through August 3, 2024.

Defendant’s records indicate that you are a member of the Settlement Class. Defendant’s records indicate that you worked for Hydraulic Controls, Inc. from [DATES OF EMPLOYMENT].

There are approximately 114 individuals in the Settlement Class.

B. What is the Effect of Membership in the Settlement Class?

If you are a member of the Settlement Class defined above, you are automatically a Participating Settlement Class Member unless you opt-out (i.e., exclude yourself from the Settlement by following the procedures set forth in this Notice). If the Settlement is approved by the Court, you are entitled to payment under the Settlement and will be bound by its terms. Individuals who opt-out will not be bound by the Settlement and will not be eligible to receive a payment. However, you will be bound by the release of the PAGA claims set forth in the Settlement Agreement whether or not you choose to opt-out of the Settlement.

4. WHAT ARE THE TERMS OF THE SETTLEMENT?

The proposed Settlement was agreed upon between Defendants and Class Counsel after a mediation with Hon. William C. Pate (Ret.) on June 4, 2024. Class Counsel believes that this Settlement, the terms of which are summarized below, is fair, reasonable, adequate, and in the best interests of the Settlement Class.

A. Overall Summary of the Settlement Terms.

Defendants will pay \$150,000.00 to settle the claims of the Settlement Class (referred to as the “Gross Settlement Fund”). The Gross Settlement Fund includes payments to Participating Settlement Class Members and PAGA Settlement Members, the fees and costs of the Settlement Administrator, a required payment to the State of California, the Class Representative Enhancement Payment for her service to the Class, and Class Counsel’s attorneys’ fees and reasonable costs. The remainder, after deduction of these payments is known as the “Net Settlement Amount.”

1 **B. Costs of Claims Administrator.**

2 The Parties have agreed to employ ILYM Group, Inc. to serve as Settlement Administrator. The
3 Settlement Administrator's fees and costs for administering the Settlement, estimated to be no more than
4 \$5,950, if approved by the Court, will be paid out of the Maximum Settlement Amount.

5 **C. Class Representative Enhancement Payment.**

6 Plaintiff Denise Jacobs has been approved by the Court to serve as Class Representative. As Class
7 Representative, she is entitled to payment for her service to the Class. The Parties have agreed, and the
8 Court has preliminarily approved a payment of \$10,000 to Denise Jacobs for her service to the Class.

9 **D. Class Counsel's Fees and Costs.**

10 Class Counsel are entitled to attorney's fees and costs for representing the Class. Class Counsel will
11 request for attorneys' fees of one-third of the Gross Settlement Fund, or \$50,000.00, and reimbursement of
12 declared litigation costs of up to \$7,000.00. Defendant does not object to the fees and costs sought by Class
13 Counsel. The Court has preliminarily approved payment to Class Counsel in the amount set forth above.

14 **E. Payment to the State of California.**

15 The Settlement allocates \$10,000 of the Gross Settlement Fund to any civil penalties under the
16 Private Attorneys General Act ("PAGA") that could be awarded as a result of the violations alleged. Of that
17 amount, \$7,500 (75% of \$10,000) will be paid to the State of California's Labor and Workforce
18 Development Agency, and the remaining \$2,500 (25% of \$10,000) will be included in the amounts paid to
19 the Class. Defendant does not object to the PAGA allocation.

20 **F. Settlement of Plaintiff's Individual Claims.**

21 The Parties have agreed to separately settle Plaintiff's individual claims for wrongful termination and
22 discrimination for a total of \$22,500. This amount was negotiated separately from the Class and PAGA
23 Claims and will be paid separately from the Gross Settlement Fund.

24 **G. What Can I Expect to Receive Payment?**

25 i. Individual Settlement Payment for Class Member:

26 Each Participating Settlement Class Member will receive a proportionate share of the remaining Net
27 Settlement Amount equal to: (i) the number of workweeks he or she worked during the Class Period based on
28 the Class List provided by Defendants, divided by (ii) the total number of workweeks worked by any and all
29 Participating Settlement Class Members collectively, during the Class Period based on the same Class List,
30 which is then multiplied by the remaining Net Settlement Amount. Any workweek in which a Settlement
31 Class Member worked at least one day will be counted as a workweek for purposes of this calculation.

32 ii. Individual PAGA Payment:

33 Each Settlement Class Member is also a PAGA Settlement Member. All PAGA Settlement Members
34 will receive an Individual PAGA Payment calculated and apportioned from the 25% portion of the PAGA
35 Settlement Amount allocated to PAGA Settlement Members on a pro rata basis depending on the number of

1 “weeks worked” or “workweeks” in which a PAGA Settlement Member performed at least one day of work
2 for Defendants during the PAGA Period.

3 Defendant’s records indicate that you are a member of the Settlement Class. Its records also indicate
4 that you worked [REDACTED] workweeks during the Class Period and the PAGA Period.

5 It is estimated that your Individual Settlement Payment will be \$ [REDACTED] and your PAGA Settlement
6 Payment will be \$ [REDACTED]. It will not be possible to know the exact amount of your payment until the
7 Response Deadline has passed and the Settlement Administrator knows the number of Participating
8 Settlement Class Members.

9 For tax purposes, the Individual PAGA Payments from the PAGA Settlement Amount will be treated
10 as 100% penalties and will be reported on IRS Form 1099. Individual Settlement Payments will be allocated
11 as follows: (i) One-third (33 1/3%) to settlement of wage claims and (ii) Two-thirds (66 2/3%) to settlement
12 of claims for interest and statutory penalties. Nothing in this Notice, or in any of the settlement documents,
13 is intended to provide any tax advice and you understand that Defendant, Defendant’s counsel, Plaintiff, and
14 Class counsel are not giving any tax advice.

15 **5. WHAT AM I GIVING UP IF I DO NOT OPT-OUT OF THE SETTLEMENT?**

16 If the Settlement is approved, Plaintiff Jacobs, and each Participating Settlement Class Member,
17 release and discharges Defendant and each of their past, present, and/or future, direct, and/or indirect,
18 officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners,
19 investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors,
20 successors, assigns, and joint ventures (“Released Parties”) from the following claims and liabilities (the
21 “Released Class Claims”):

22 All claims, actions, demands, causes of action, suits, debts, obligations, demands, rights,
23 liabilities, or legal theories of relief, that are based on the facts and legal theories asserted
24 in the operative complaint of the Action, or which relate to the primary rights asserted in
25 the operative complaint, including without limitation claims for: (1) failure to pay
26 overtime in violation of Labor Code section 510; (2) failure to furnish accurate itemized
27 wage statements in violation of Labor Code section 226(a), (3) failure to pay all wages at
28 cessation of employment in violation of Labor Code sections 201 and 202; and (4)
unlawful business practices under Unfair Competition Law including Business and
Professions Code sections 17200 *et seq.* The period of the Released Class Claims shall
extend to the limits of the Class Period.

In addition, as of the Effective Date, Plaintiff on behalf of herself, the Labor and Workforce
Development Agency, and the other PAGA Settlement Members, release Defendant and Released Parties
from any and all claims for civil penalties pursuant to PAGA based on the facts and legal theories asserted in
the operative complaint of the Action, or which relate to the primary rights asserted in the operative
complaint, including without limitation PAGA claims for (1) failure to pay overtime in violation of Labor
Code section 510; (2) failure to furnish accurate itemized wage statements in violation of Labor Code section
226(a); (3) failure to pay all wages at cessation of employment in violation of Labor Code sections 201 and
202; and (4) failure to timely pay wages in violation of Labor Code section 204. The period of the Released
PAGA Claims shall extend to the limits of the PAGA Period. (“Released PAGA Claims”).

1 **If you do NOT exclude yourself by following the procedures set forth in this Notice and the Court**
2 **approves the proposed Settlement, you will be deemed to have released the aforementioned claims, as**
3 **appropriate, and will receive a payment. Even if you exclude yourself, you will still be bound by the**
4 **release of the Released PAGA Claims if the Court approves this settlement.**

6. **HOW DO I RECEIVE A PAYMENT?**

5 All Settlement Class Members will receive a payment under this Settlement unless they opt out. All
6 Settlement Class Members, because they are also PAGA Settlement Members, will receive a PAGA
7 payment whether or not they opt out. If you are a Settlement Class Member and you move or change your
8 address, and you want to receive your payment at your new address, you must send a notice of your change
9 of address to the Settlement Administrator **XXXXXX, ADDRESS, CITY, STATE ZIP, TELEPHONE,**
10 **EMAIL.**

7. **WHAT ARE MY RIGHTS AND OPTIONS?**

10 If you are a Settlement Class Member as defined above, you have the following rights and options
11 under the proposed Settlement:

12 **A. Participate in the Settlement, be represented by Class Counsel, and take no action.**

13 If you take no further action, you will be a Participating Settlement Class Member, will be
14 represented by Class Counsel, and will have the right to an Individual Settlement Payment. If the Settlement
15 is approved by the Court, you will be bound by the terms of the Settlement and, as set forth above, will be
16 deemed to have released your claims against Defendant. As a Participating Settlement Class Member, you
17 will not be charged for the services of Class Counsel.

18 **B. Participate in the Settlement but elect to hire your own attorney.**

19 If you do not wish to be represented by Class Counsel, you may hire your own attorney. Your
20 attorney must send a Notice of Appearance to the Settlement Administrator at the address listed below, so
21 that it is received no later than **,** 2024. You will be responsible for any attorneys' fees and
22 costs charged by your attorney.

23 **C. Exclude yourself from the Settlement by opting out.**

24 If you are a Settlement Class Member but do not want to participate in the settlement, you may
25 exclude yourself by opting out. If you choose to opt-out, you will lose any right to participate in the
26 settlement and you will not be eligible to receive an Individual Settlement Payment. You will be free to
27 pursue any claims you may have against Defendant on your own behalf, but Class Counsel will not represent
28 you.

29 In order to opt-out, you must notify the Settlement Administrator, in writing, at the address listed
30 below. In order to be effective, your opt-out must be postmarked or delivered to the Settlement
31 Administrator no later than **[45 days from the mailing of the Class Notice]**, and must be signed, contain your
32 full name, current home (or mailing address), the last four digits of your Social Security number, and written
33 affirmation of your desire to optout containing the following or substantially similar language:

1 “I elect to opt out of the *Jacobs v. Hydraulic Controls, Inc.* class action settlement. I understand that
2 by doing so, I will not be able to participate in the settlement and will not receive a share of the
3 settlement.”

4 If you do not comply with these procedures, you will lose any opportunity to exclude yourself from
5 the settlement, you will be a Participating Settlement Class Member, will be represented by Class Counsel,
6 and will receive an Individual Settlement Payment. If the settlement is approved by the Court, you will be
7 bound by the terms of the settlement and, as set forth above, will be deemed to have released your claims
8 against Defendant.

9 The settlement includes the settlement of the PAGA Released Claims. An employee may not request
10 exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you
11 request exclusion from the settlement, if you are an Aggrieved Employee, you will still receive your
12 Individual PAGA Payment and will be deemed to have released the PAGA Released Claims. A request for
13 exclusion will preserve your right, if any, to individually pursue only the Class Released Claims.

14 **D. Object to the terms of the Settlement.**

15 If you are dissatisfied with the terms of the Settlement, you may object to the Settlement. All
16 objections and supporting papers must (a) clearly identify the case name and number (i.e., *Jacobs v.*
17 *Hydraulic Controls Inc., et al.*, Stanislaus County Superior Court Case No. CV-23-003469), (b) include your
18 full name, address, telephone number, (c) concisely state the grounds for your objection, including the legal
19 and factual arguments supporting that objection, (d) identify any witness(es) you intend to call to testify at
20 the Final Approval Hearing, (e) provide true and correct copies of any exhibit(s) you intend to offer at the
21 Final Approval Hearing, (f) indicate whether you are represented by counsel and, if so, identify such
22 counsel, (g) indicate whether you would like to appear at the Final Approval Hearing, and (h) be signed. To
23 be timely, your objection must be mailed to the Court and the Settlement Administrator, postmarked on or
24 before [45 days following the mailing of the Notice].

25 You also may, but are not required, to appear and present argument at the Final Approval Hearing.
26 Objections not timely postmarked or delivered by [45 days after the mailing of the Notice] may not be
27 considered by the Court. If you file an objection that is not timely, or that does not include the information
28 specified above, you may have no right to appear and present any argument at the Final Approval Hearing,
subject to the discretion of the Court. If you file an objection, Plaintiff and Defendant have the opportunity
to respond in writing to your objection no later than seven (7) calendar days before the Final Approval
Hearing.

You may be represented by an attorney at the Final Approval Hearing. Any attorney who will
represent an individual objecting to the settlement must file a notice of appearance with the Court and serve
counsel for all parties on or before [15 calendar days before the Final Approval Hearing]. All objections or
other correspondence must state the name and number of the case – *Jacobs v. Hydraulic Controls Inc., et al.*,
Stanislaus County Superior Court Case No. CV-23-003469.

8. **WHEN IS THE COURT HEARING AND WHAT IS IT FOR?**

The Court will hold the Final Approval Hearing in the Stanislaus County Courthouse, City Towers
Courthouse, 810 10th Street, Modesto, California, 95354 on [REDACTED], 2024, at [TIME]. in Department
[REDACTED], to determine whether the settlement should be finally approved as fair, reasonable and adequate. The
Court will also be asked to approve the fees and costs of the Settlement Administrator, the payment to the

State of California, the Class Representative Enhancement Payment, and the fees and costs of Class Counsel. **It is not necessary for you to appear at this hearing to participate in the settlement.** If you want to be heard orally in support of or in opposition to the Settlement, either personally or through counsel, you must comply with the procedures set forth above.

9. HOW CAN I GET MORE INFORMATION?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the Class Action and PAGA Settlement Agreement and Release. The Class Action and PAGA Settlement Agreement and Release, as well as the pleadings and other records in this litigation, including Motion for Preliminary Approval, Motion for Final Approval, and Motion for Attorneys' Fees, Costs and Service Payment, are available by accessing the Court docket in this case through the Court's website at www.stanct.org, or by visiting the Clerk of the Court at any time between 8:15 a.m. and 4:00 p.m., Monday through Friday, excluding Court Holidays, in the Civil Clerk's Office located at 801 10th Street, Fourth Floor, Modesto, California 95354.

If you have questions about the Settlement, you may contact Class Counsel or the Claims Administrator as follows:

<u>Class Counsel</u>	
	Vladimir J. Kozina, Esq. William J. Gorham, Esq. Robert J. Wassermann, Esq. Mayall Hurley P.C. 2453 Grand Canal Blvd. Stockton, CA 95207 Telephone: (209) 477-3833
<u>Claims Administrator</u>	
	Jacobs v. Hydraulic Controls, Inc., et al. c/o [REDACTED], [REDACTED] [REDACTED] ADDRESS [REDACTED] CITY, STATE ZIP Telephone: () [REDACTED]

PLEASE DO NOT WRITE OR TELEPHONE THE COURT FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.

THE COURT HAS APPROVED THIS NOTICE.

Exhibit 2