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Impact Product Solutions

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF CALAVERAS

KRISTINA LURA, individually and on behalf of
all others similarly situated,

Plaintiffs,

v.

CALAVERAS HEALTHY IMPACT PRODUCT
SOLUTIONS (C.H.I.P.S.); and DOES 1 through
20, inclusive,

Defendants.

Case No. 23CV46783

JOINT STIPULATION OF SETTLEMENT

It is stipulated and agreed by and among the undersigned Parties, subject to the approval of the Court pursuant to the California Rules of Court, that the Settlement of this Action shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of Settlement (“Agreement” or “Settlement”).

This Agreement is made by and between Named Plaintiff Kristina Lura (“Named Plaintiff”) and the Class Members, on the one hand, and Defendant Calaveras Healthy Impact Product Solutions (C.H.I.P.S.) (“Defendant”), on the other hand. Named Plaintiff and Defendant are referred to individually as “Party” and collectively are referred to in this Agreement as “the Parties.”

The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and concluded by agreement of Defendant to pay the settlement amount of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) as provided in Section 3.06(a) below (“Gross Settlement Amount”) pursuant to the terms and conditions of this Agreement and for the consideration set forth herein, including but not limited to, a release of all claims by Named Plaintiff and the Class Members as set forth herein.

ARTICLE I

DEFINITIONS

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

a. “Action” means the action described as follows: *Kristina Lura v. Calaveras Healthy Impact Product Solutions*, Case No. 23CV46783, commenced on June 15, 2023, in the Superior Court of the State of California for the County of Calaveras.

b. “Agreement” means this Joint Stipulation of Settlement, including the attached Exhibit(s).

c. “Class” means all current and former non-exempt employees who are or were employed by Defendant in California at any time during the Class Period.

d. “Class Counsel” means the attorneys for the Class and the Class Members, who are:
AEGIS LAW FIRM, PC

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Samuel A. Wong
Jessica L. Campbell
Kristy R. Connolly
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e. “Class List” means a list based on Defendant’s business records that identifies each Class Member’s name, last known home or mailing address, Social Security number or, as applicable, other taxpayer identification number, dates of employment, Qualifying Workweeks, and Qualifying Pay Periods.

f. “Class Member(s)” means all members of the Class.

g. “Class Period” means December 18, 2018 through August 19, 2024.

h. “Court” means the California Superior Court for the County of Calaveras, where the Action is currently pending.

i. “Date of Finality” means the later of the following: (1) the date the Final Order is signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no appeal is taken of the Final Order, sixty-five (65) days after the Final Order; or (3) if an appeal or other judicial review is taken from the Court’s overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes final.

j. “Defendant” means Defendant Calaveras Healthy Impact Product Solutions (“C.H.I.P.S.”).

k. “Defense Counsel” means counsel for Defendant:

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1 l. “Disposition” means the method by which the Court approves the terms of the
2 Settlement and retains jurisdiction over its enforcement, implementation, construction,
3 administration, and interpretation.

4 m. “Final Order Approving Settlement of Class Action” or “Final Order” means the final
5 formal court order signed by the Court following the Final Fairness and Approval Hearing in
6 accordance with the terms herein, approving this Agreement.

7 n. “Gross Settlement Amount” means One Hundred Seventy-Five Thousand Dollars
8 (\$175,000.00) to be paid by Defendant as provided by this Agreement to settle this Action. All
9 payments to Participating Class Members, Settlement Administration Costs, attorney’s fees and
10 costs, the PAGA Settlement Amount, the Incentive Award, and the employer’s share of payroll taxes
11 shall be paid out of the Gross Settlement Amount. The Gross Settlement Amount is subject to a pro
12 rata increase pursuant to Section 3.04(e) below. No part of the Gross Settlement Amount shall revert
13 to Defendant.

14 o. “Incentive Award” means a monetary amount of up to Ten Thousand Dollars
15 (\$10,000.00) for the Named Plaintiff, subject to Court approval, in recognition of her effort and work
16 in prosecuting the Action on behalf of Class Members.

17 p. “Individual Settlement Payment(s)” means each Participating Class Member’s
18 respective share of the Net Settlement Amount. Individual Settlement Payments will be determined
19 by the calculations provided in this Agreement.

20 q. “Individual PAGA Settlement Payments” means each PAGA Group Member’s
21 respective share of the PAGA Settlement Amount. Individual PAGA Settlement Payments will be
22 determined by the calculations provided in this Agreement.

23 r. “LWDA” means the State of California Labor and Workforce Development Agency.

24 s. “LWDA Payment” means 75% of the \$10,000 allocated to the settlement of PAGA
25 claims which, subject to Court approval, will be paid to the LWDA pursuant to Section 3.06(e) of
26 this Agreement, as provided for below.

27 t. “Motion for Final Approval” means Plaintiff’s submission of a written motion,
28 including any evidence as may be required for the Court to conduct an inquiry into the fairness of

the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and to enter a Final Order in this Action.

u. “Motion for Preliminary Approval” means Plaintiff’s submission of a written motion, including any evidence as may be required for the Court to grant preliminary approval of the Settlement as required by Rule 3.769 of the California Rules of Court.

v. “Named Plaintiff” means Kristina Lura.

w. “Net Settlement Amount” means the Gross Settlement Amount less Court-approved Settlement Administration Costs, Class Counsel’s attorney’s fees and costs, the Incentive Award, the PAGA Settlement Amount, and the employer’s share of payroll taxes, pursuant to Sections 3.06(a)-(f) below.

x. “Non-Participating Class Member(s)” means any Class Member(s) who submit to the Settlement Administrator a valid and timely written request to be excluded from the Class pursuant to Section 3.04(b) below.

y. “Notice Packet” means the Notice of Proposed Class Action Settlement in a form substantially similar to the Notice attached hereto as **Exhibit A**, subject to Court approval.

z. “PAGA” means the California Private Attorneys General Act of 2004, which is codified in California Labor Code §§ 2698 *et seq.*

aa. “PAGA Settlement Amount” means the portion of the Gross Settlement Amount allocated to the resolution of PAGA Group Members’ claims arising under PAGA. The Parties have agreed that the PAGA Settlement Amount is Ten Thousand Dollars and Zero Cents (\$10,000), subject to Court approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA Payment, and the remaining 25% will be distributed to PAGA Group Members.

bb. “PAGA Group Members” means all Class Members employed by Defendant at any time during the PAGA Period.

cc. “PAGA Period” means June 19, 2022 through August 19, 2024.

dd. “Participating Class Member(s)” is defined as a Class Member who does not timely exclude himself or herself from the Settlement and will therefore receive his or her share of the Net

Settlement Amount automatically without the need to return a claim form. Each Participating Class Member will be paid his/her Individual Settlement Payment.

ee. “Preliminary Approval Date” means the date the Court preliminarily approves the Settlement embodied in this Agreement.

ff. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement Administrator for the benefit of Participating Class Members.

gg. “Qualifying Workweeks” means the number of weeks that Class Members worked for Defendant as non-exempt employees during the Class Period.

hh. “Qualifying Pay Periods” means the number of pay periods that PAGA Group Members worked for Defendant as non-exempt employees during the PAGA Period.

ii. “Released Parties” means Defendant and each of its past, present and future subsidiaries, dbas, parents, divisions, related entities, joint venturers, as well as each of their respective owners, co-employers, joint employers, agents, officers, directors, stockholders, shareholders, investors, members, principles, subsidiaries, affiliates, partners, predecessors, successors, assigns, insurers, reinsurers, employees, attorneys, agents, heirs, estates, executors, spouses, associates, representatives, administrators, fiduciaries, trustees, accountants, auditors, company-sponsored employee benefit plans of any nature, and all other legal entities affiliated with the foregoing.

jj. “Response Deadline” means the deadline by which Class Members must postmark or fax to the Settlement Administrator requests for exclusion or written notices of objection. The Response Deadline will be sixty (60) calendar days after the initial mailing of the Notice Packet by the Settlement Administrator, unless the sixtieth (60th) calendar 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. The Response Deadline will be extended as set forth herein if there is a re-mailing.

kk. “Settlement Administration Costs” means all costs incurred by the Settlement Administrator in administration of the Settlement, including, but not limited to, mailing of notice to

1 the class, calculation of Individual Settlement Payments, generation of Individual Settlement
2 Payment checks and related tax reporting forms, administration of unclaimed checks, and generation
3 of checks to Class Counsel for attorneys' fees and costs, to Named Plaintiff for her Incentive Award,
4 and to the LWDA. The Settlement Administration Costs shall be paid from the Gross Settlement
5 Amount.

6 ll. "Settlement Administrator" means Phoenix Settlement Administrators, which the
7 Parties have agreed will be responsible for the administration of the Individual Settlement Payments
8 to be made by Defendant from the Gross Settlement Amount and related matters under this
9 Agreement.

10 **ARTICLE II**

11 **CONTINGENT NATURE OF THE AGREEMENT**

12 **Section 2.01: Stipulation of Class Certification for Settlement Purposes**

13 Because the Parties have stipulated to the certification of the Class with respect to all causes
14 of action alleged in the Action for settlement purposes only, this Agreement requires preliminary and
15 final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis.
16 This Agreement is contingent upon the approval and certification by the Court. If the Date of Finality
17 does not occur, the fact that the Parties were willing to stipulate for the purposes of this Agreement
18 to a Class shall have no bearing on, nor be admissible in connection with, the issue of certification
19 of the Class with respect to all causes of action alleged in the Action. Defendant does not consent to
20 certification of the Class for any purpose other than to effectuate settlement of the Action. If the Date
21 of Finality does not occur, or if Disposition of this Action is not effectuated, any certification of the
22 Class as to Defendant will be vacated and Named Plaintiff, Defendant, and the Class will be returned
23 to their positions with respect to the Action as if the Agreement had not been entered into. In the
24 event that the Date of Finality does not occur: (a) any Court orders preliminarily or finally approving
25 certification of any class contemplated by this Agreement shall be null, void, and vacated, and shall
26 not be used or cited thereafter by any person or entity; and (b) the fact of the settlement reflected in
27 this Agreement, the fact that Defendant did not oppose the certification of a Class under this
28 Agreement, or that the Court preliminarily approved the certification of the Class, shall not be used

or cited thereafter by any person or entity, including in any manner whatsoever, including without limitation any contested proceeding relating to the certification of any class. If the Date of Finality does not occur, this Agreement shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever. Defendant expressly reserves the right to challenge the propriety of class certification in the Action for any purpose, if the Date of Finality does not occur.

The Parties and their respective counsel shall take all steps that may be requested by the Court relating to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain Court approval and implement this Agreement. If the Court does not grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a resolution, the Parties agree to seek the assistance of mediator Steven Serratore to resolve the dispute.

ARTICLE III

PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT

The procedure for obtaining Court approval of and implementing this Agreement shall be as follows:

Section 3.01: Motion for Conditional Class Certification and Preliminary Approval

Named Plaintiff will bring a motion before the Court for an order conditionally certifying the Class to include all claims pled in the Action based on the preliminary approval of this Agreement. The date that the Court grants preliminary approval of this Agreement will be the "Preliminary Approval Date."

Section 3.02: The Settlement Administrator

The Parties have chosen Phoenix Settlement Administrators to administer this Settlement and to act as the Settlement Administrator, including but not limited to distributing and responding to inquiries about the Notice Packet; determining the validity of exclusions/opt-outs; calculating the Net Settlement Amount, the Individual Settlement Payments, and the Individual PAGA Settlement Payments; issuing the Individual Settlement Payment and Individual PAGA Settlement Payments checks and distributing them to Class Members; establishing and maintaining the QSF, and issuing

the payment to Class Counsel for attorneys' fees and costs, the Incentive Award check to Named Plaintiff, and the employer payroll taxes to the appropriate taxing authorities. The Settlement Administrator shall expressly agree to all of the terms and conditions of this Agreement.

All costs of administering the Settlement, including but not limited to all costs and fees associated with preparing, issuing and mailing any and all notices to Class Members, all costs and fees associated with computing, processing, reviewing, and mailing the Individual Settlement Payments and Individual PAGA Settlement Payments, all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency, all costs and fees associated with preparing any other checks, notices, reports, or filings to be prepared in the course of administering disbursements from the Net Settlement Amount, and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement ("Settlement Administration Costs"), shall be paid to the Settlement Administrator from the Gross Settlement Amount.

Section 3.03: Notice to Class Members

No later than five (5) business days after the Preliminary Approval Date, Defendant will provide the Settlement Administrator with a "Class List" in electronic format based on its business records, identifying the names of the Class Members, their last known home addresses, Social Security numbers or, as applicable, other taxpayer identification number, their dates of employment, Qualifying Workweeks, and Qualifying Pay Periods.

Within ten (10) business days of receiving a Class List from Defendant, the Settlement Administrator will send Class Members, by first-class mail, at their last known address, the Court approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the Settlement Class. The Notice Packet will include a calculation of the Class Member's approximate share of the Net Settlement Amount. Class Members will have sixty (60) days from the date of mailing in which to postmark objections or requests for exclusion. Prior to the initial mailing, the Settlement Administrator will check all Class Member addresses against the National Change of Address database and shall update any addresses before mailing. The Settlement Administrator will skip trace and re-mail all returned, undelivered mail within five (5) days of receiving notice that a

1 Notice Packet was undeliverable. If a Class Member's notice is re-mailed, the Class Member shall
2 have fifteen (15) calendar days from the re-mailing, or sixty (60) calendar days from the date of the
3 initial mailing, whichever is later, in which to postmark objections or requests for exclusion. Class
4 Members shall not be required to submit claim forms in order to receive a proportional share of the
5 Net Settlement Amount.

6 If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall
7 re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose
8 Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement
9 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
10 mass search on LexisNexis or comparable databases based on set criteria and, if another address is
11 identified, shall mail the Notice Packet to the newly identified address. It is the intent of the parties
12 that reasonable means be used to locate Class Members and that the Settlement Administrator be
13 given discretion to take steps in order to facilitate notice of the Settlement and delivery of the
14 Individual Settlement Payments to all Participating Class Members and Individual PAGA Settlement
15 Payments to all PAGA Group Members.

16 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
17 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
18 status report provided to the Parties.

19 In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days
20 after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
21 Member's Individual Settlement Payment and/or Individual PAGA Settlement Payments. The
22 Settlement Administrator will hold the Class Member's Individual Settlement Payment and/or
23 Individual PAGA Settlement Payments during the check cashing period on behalf of the Class
24 Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and
25 Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Settlement
26 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the
27 procedures set forth in Section 3.06(g) below.

1 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
2 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
3 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
4 for and re-sending of any returned Notice Packets, as well as the number of valid requests for
5 exclusion and objections that the Settlement Administrator received.

6 **Section 3.04: Responses to Notice**

7 **a. Class Member Disputes**

8 If any Class Member or PAGA Group Member disagrees with Defendant's records as to his
9 or her Qualifying Workweeks and/or Qualifying Pay Periods as reflected in the Notice Packet, the
10 Class Member shall set forth in writing the Qualifying Workweeks and/or Qualifying Pay Periods
11 and submit such writing to the Settlement Administrator by the Response Deadline, along with any
12 supporting documentation. The Notice will also provide a method for the Class Member or PAGA
13 Group Member to challenge the employment data on which his or her Individual Settlement Payment
14 and Individual PAGA Settlement Payment are based. The Settlement Administrator shall contact the
15 Parties regarding the dispute and the Parties and the Settlement Administrator will work in good faith
16 to resolve it. The Settlement Administrator's determination of the Qualifying Workweeks and/or
17 Qualifying Pay Periods shall be final and not appealable or otherwise susceptible to challenge.

18 **b. Requests for Exclusion from Class**

19 In order for any Class Member to validly exclude himself or herself from the Class and this
20 Settlement (*i.e.*, to validly opt out), a written request for exclusion must be signed by the Class
21 Member or his or her authorized representative, and must be sent to the Settlement Administrator,
22 postmarked no later than the Response Deadline (or fifteen (15) days after the Settlement
23 Administrator re-mails the Notice to the Class Member, whichever is later). The Notice Packet shall
24 contain instructions on how to validly exclude himself or herself from the Class and this Settlement
25 (*i.e.*, opt out), including the language to be used in a request for exclusion. The date of the initial
26 mailing of the Notice Packet, and the date the signed request for exclusion was postmarked, shall be
27 conclusively determined according to the records of the Settlement Administrator. Any Class
28 Member who timely and validly requests exclusion from the Class and this Settlement will not be

entitled to any Individual Settlement Payment, will not be bound by the terms and conditions of this Agreement, and will not have any right to object, appeal, or comment thereon.

Any Class Member who fails to timely submit a request for exclusion shall automatically be deemed a Class Member whose rights and claims with respect to the issues raised in the Action are determined by the Court's Final Order Approving Settlement of Class Action, and by the other rulings in the Action. Thus, said Class Member's rights to pursue any claims covered by the Action and/or released in this Agreement will be extinguished.

c. Objections to Settlement

For any Class Member to object to this Agreement, or any term of it, the person making the objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15) days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later), a written statement of the grounds of objection, signed by the objecting Class Member or his or her attorney, along with all supporting papers. The date of the initial mailing of the Notice Packet, and the date the signed objection was postmarked, shall be conclusively determined according to the records of the Settlement Administrator. The Settlement Administrator shall send any objections it receives to Defense Counsel and Class Counsel within three (3) business days of receipt. Class Members may also appear at the final approval hearing to object. The Court retains final authority with respect to the consideration and admissibility of any Class Member objections.

d. Encouragement of Class Members

The Parties to this Agreement and the counsel representing such Parties shall not, directly or indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from this Settlement (opt out), to object to it, or to support this Settlement. However, the Parties and Counsel for the Parties may honestly and objectively respond to inquiries from Class Members.

e. Right of Plaintiff to Adjust Gross Settlement Amount

Defendant has estimated that there are 229 Class Members and that the number of Qualifying Workweeks is 8,650. If the number of Class Members exceeds 229 or the number of Qualifying

Workweeks exceeds 8,650 by more than 5%, the Gross Settlement Amount will increase pro rata per additional Class Member or additional Qualifying Workweeks, whichever is greater.

Section 3.05: Final Fairness and Approval Hearing

On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement and determine whether the Court should give it final approval, and (2) consider any objections made and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a Proposed Final Order Approving Settlement of Class Action.

Section 3.06: Settlement Payment Procedures

a. Settlement Amount

In exchange for the Released Claims set forth in this Agreement, Defendant agrees to pay the Gross Settlement Amount in the amount of One Hundred Seventy-Five Thousand Dollars (\$175,000.00), subject to a pro rata increase under the condition set forth in Section 3.04(e). The Settlement Administrator will use the Gross Settlement Amount to fund payment of the Individual Settlement Amounts to Participating Class Members, Individual PAGA Settlement Payments to PAGA Group Members, all Settlement Administration Costs, Class Counsel's attorney's fees and costs, the LWDA Payment, and the Incentive Payment.

The Gross Settlement Amount shall be paid in four installments into a QSF established by the Settlement Administrator, either directly or by sending the funds to the Settlement Administrator to be deposited and distributed, as follows: \$43,750 due no later than February 19, 2025, \$43,750 due no later than August 19, 2025, \$43,750 due no later than February 19, 2026, and \$43,750 plus the amount sufficient to fund the employer-side taxes due no later than August 19, 2026.

Within ten (10) calendar days after receiving Defendant's final payment, funding the Gross Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments to Participating Class Members, Individual PAGA Settlement Payments to PAGA Group Members, Class Counsel's attorneys' fees and costs, the LWDA Payment, the Incentive Award, and employer and employee tax withholdings applicable to the Net Settlement Amount allocated to wages. Prior to

1 this distribution, the Settlement Administrator will perform a search based on the National Change
2 of Address Database to update and correct for any known or identifiable address changes.

3 **b. Payment of Attorneys' Fees and Costs**

4 Class Counsel shall submit an application for an award of attorneys' fees of up to one-third
5 of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is Fifty-
6 Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$58,333.33). Class
7 Counsel shall submit an application for an award of costs not to exceed Twenty-Five Thousand
8 Dollars (\$25,000.00). Such application for attorneys' fees and costs shall be heard by the Court at
9 the Final Fairness and Approval Hearing. Defendant shall not object to or oppose any such
10 application in these amounts. Class Counsel shall serve Defendant with copies of all documents
11 submitted in support of their application for an award of attorneys' fees and costs.

12 Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the
13 Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys'
14 fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs,
15 and expenses related to the investigation, prosecution, and settlement of the Action incurred through
16 the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees
17 and/or costs that Class Counsel requests, the difference between the requested and awarded amounts
18 will be reallocated to the Net Settlement Amount.

19 **c. Payment of Settlement Administration Costs**

20 The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and
21 shall not constitute payment to any Participating Class Member(s). The amount shall not exceed
22 Eight Thousand Five Hundred Dollars (\$8,500.00).

23 **d. Payment of Incentive Award to Named Plaintiff**

24 Subject to Court approval, the Named Plaintiff shall receive an Incentive Award of up to Ten
25 Thousand Dollars (\$10,000.00), in addition to any Individual Class Payment and any Individual
26 PAGA Payment the Class Representative is entitled to receive as a Participating Class Member.
27 Defendant will not object to or oppose Named Plaintiff's request for an Incentive Award that does
28 not exceed this amount. The Incentive Award shall be paid out of the Gross Settlement Amount and

1 shall not constitute payment to any Participating Class Member(s) other than Named Plaintiff. To the
2 extent that the Court approves less than the amount of incentive award that Named Plaintiff requests,
3 the difference between the requested and awarded amounts will be reallocated to the Net Settlement
4 Amount.

5 Because it is the intent of the Parties that the Incentive Award represent payment to Named
6 Plaintiff for her service to the Class, and not wages, the Settlement Administrator will not withhold
7 any taxes from the Incentive Award. The Incentive Award will be reported on a Form 1099, which
8 the Settlement Administrator will provide to Named Plaintiff and to the pertinent taxing authorities
9 as required by law.

10 **e. Payment to the Labor and Workforce Development Agency**

11 In consideration of claims made under PAGA, Class Counsel will request that the Court
12 approve allocation of Ten Thousand Dollars (\$10,000) of the Gross Settlement Amount to these
13 claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and
14 Workforce Development Agency ("LWDA Payment"), and twenty-five percent (25%) will be paid
15 to the PAGA Group Members as their Individual PAGA Settlement Payment. Defendant will not
16 oppose this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement
17 Amount. The Court's adjustment, if any, of the amount allocated to Named Plaintiff's PAGA claim
18 in the Action, will not invalidate this Agreement.

19 **f. Payment of Individual Settlement Payments and Individual PAGA**
20 **Settlement Payments**

21 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
22 Payments. The Parties agree that the Net Settlement Amount shall be divided between all
23 Participating Class Members in proportion to the number of individual Qualifying Workweeks for
24 each Class Member. To calculate the minimum amount each Class Member will receive based on
25 their individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total
26 number of Qualifying Workweeks by all Class Members during the Class Period and then allocated
27 on a pro rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class
28 Member's approximate Individual Settlement Payment amount will be included in his or her Notice

1 Packet. After Defendant fully funds the Gross Settlement Amount, the Net Settlement Amount will
2 be dispersed to Participating Class Members (those who did not exclude themselves) on a pro rata
3 basis based on the individual Qualifying Workweeks worked during the Class Period by each
4 Participating Class Member.

5 The PAGA Settlement Amount to be distributed to PAGA Group Members shall be divided
6 between all PAGA Group Members in proportion to the number of individual Qualifying Pay Periods
7 that each PAGA Group Member worked during the PAGA Period. To calculate the minimum amount
8 each PAGA Group Member will receive based on their individual pay periods, 25% of the PAGA
9 Settlement Amount (or \$2,500) will be divided by the total number of Qualifying Pay Periods and
10 then allocated on a pro rata basis. Pay periods will be rounded up to the next whole integer.
11 Each PAGA Group Member's approximate Individual PAGA Settlement Payment will be included
12 in his or her Notice Packet. After final approval by the Court, the PAGA Settlement Amount
13 will be dispersed to all PAGA Group Members on a pro rata basis based on the individual
14 Qualifying Pay Periods worked during the PAGA Period by each PAGA Group Member.

15 Each Individual Settlement Payment will represent wages and penalties allocated using the
16 following formula: 20% allocated to wages; 80% allocated to interest and penalties. Payments for
17 the PAGA Settlement Amount will be allocated as 100% penalties. The amounts paid as wages shall
18 be subject to all tax withholdings customarily made from an employee's wages and all other
19 authorized and required withholdings and shall be reported by W-2 forms. The employer-side taxes
20 will be paid separate from and in addition to the Gross Settlement Amount. The amounts paid as
21 penalties and interest shall be subject to all authorized and required withholdings other than the tax
22 withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms.

23 No later than ten (10) calendar days after receiving the Gross Settlement Amount from
24 Defendant, the Settlement Administrator shall prepare and mail the checks for the Individual
25 Settlement Payments to Participating Class Members and Individual PAGA Settlement Payments to
26 PAGA Group Members. Individual Settlement Payments paid from the Net Settlement Amount
27 allocated to wages will be reduced by applicable employer and employee tax withholdings, and the
28 Settlement Administrator will issue a Form W-2 for the wage portion of the Individual Settlement

1 Payments. The Settlement Administrator will issue a Form 1099 to the extent required by law for the
2 interest and penalty portions of the Individual Settlement Payments and Individual PAGA Settlement
3 Payments. Class Members shall have 180 days from the date their Individual Settlement Payment
4 checks and Individual PAGA Settlement Payment checks are dated to cash their Settlement checks.
5 Any checks that are not cashed upon the expiration of that 180-day time period will be void, and the
6 uncashed funds shall be paid to the State Controller Unclaimed Property Fund in the name of the
7 Class Member for whom the funds are designated.

8 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
9 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
10 a mass search on LexisNexis or a comparable databases based on set criteria and, if another address
11 is identified, the Settlement Administrator shall mail the check to the newly identified address. If the
12 Settlement Administrator is unable to obtain a valid mailing address through this process, the
13 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
14 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

15 **g. Default on Payment.**

16 Defendant's failure to fund the Gross Settlement Amount within sixty (60) calendar days after
17 the date that the Court grants final approval of the Settlement shall be considered a default. In the
18 event Defendant fails to timely fund the Gross Settlement Amount, the Settlement Administrator will
19 provide notice to Class Counsel and Defendant's counsel within three (3) business days of the missed
20 payment. Thereafter, Defendant will have seven (7) business days to cure the default and tender
21 payment to the Settlement Administrator.

22 **h. No Credit Toward Benefit Plans.**

23 The Individual Settlement Payments made to Participating Class Members under this
24 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to
25 calculate any additional benefits under any benefit plans to which any Class Members may be
26 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase
27 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
28

intention that this Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

ARTICLE IV

LIMITATIONS ON USE OF THIS SETTLEMENT

Section 4.01: No Admission

Defendant emphatically and adamantly disputes the allegations in the Action and disputes that, but for this Settlement, a Class should not have been certified in the Action. This Agreement is entered into solely for the purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be construed as an admission of liability or wrongdoing by Defendant.

Section 4.02: Non-Evidentiary Use

Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to establish that a Class Member has resolved any of his or her claims released through this Agreement.

Section 4.03: Nullification

The Parties have agreed to the certification of the Class encompassing all claims alleged in the Action for the sole purpose of effectuating this Agreement. If (a) the Court should for any reason fail to certify this Class for settlement, or (b) the Court should for any reason fail to approve this Settlement, or (c) the Court should for any reason fail to enter the Final Order, or (d) the Final Order is reversed, or declared or rendered void, or (e) the Court should for any reason fail to dispose of the Action in its entirety, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had

1 been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to
2 stipulate to class certification of all causes of action pled in the Action as part of the Settlement will
3 have no bearing on, and will not be admissible in connection with, the issue of whether the Class
4 should be certified by the Court in a non-settlement context in this Action or any other action, and in
5 any of those events, Defendant expressly reserves the right to oppose certification of the Class.

6 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the
7 Gross Settlement Amount shall not be distributed pending the completion of the appeal.

8 **ARTICLE V**

9 **RELEASES**

10 **Section 5.01: Released Claims by Class Members**

11 Upon the date Defendant fully funds the Gross Settlement Amount, Named Plaintiff and
12 Participating Class Members who do not opt out of the Settlement, release the Released Parties from
13 any and all claims arising during the Class Period that were alleged, or reasonably could have been
14 alleged, based on the facts stated in Named Plaintiff's Operative Complaint, including but not limited
15 to (1) failure to pay minimum wages (2) failure to pay overtime wages (3) failure to comply with
16 California Prevailing Wage Law; (4) failure to provide meal periods and/or pay meal period
17 premiums (5) failure to authorize or permit rest periods and/or pay rest period premiums (6) failure
18 to reimburse necessary business expenses (7) failure to pay wages during employment (8) failure to
19 pay wages upon separation of employment and within the required time (9) failure to furnish accurate
20 itemized wage statements wage statements; (10) violation of California Business and Professions
21 Code §§17200, *et seq.*, based on the preceding claims; (11) PAGA penalties pursuant to Labor Code
22 §2699, *et seq.* (collectively, "Released Claims"); and (12) Unlawful Deductions

23 **Section 5.02: Released Claims by PAGA Group Members**

24 Upon the date Defendant fully funds the Gross Settlement Amount, Plaintiff, the State of
25 California, and PAGA Group Members release the Released Parties from all claims for PAGA
26 penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged,
27 based on the facts stated in the Operative Complaint, regardless of whether PAGA Group Members
28 opt out of the Class Settlement.

1 **ARTICLE VI**

2 **MISCELLANEOUS PROVISIONS**

3 **Section 6.01: Amendments or Modification**

4 The terms and provisions of this Agreement may be amended or modified only by an express
5 written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel,
6 and approved by the Court.

7 **Section 6.02: Assignment**

8 None of the rights, commitments, or obligations recognized under this Agreement may be
9 assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
10 consent of each other Party and their respective counsel. The representations, warranties, covenants,
11 and agreements contained in this Agreement are for the sole benefit of the Parties under this
12 Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

13 **Section 6.03: Governing Law**

14 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
15 shall be determined, in accordance with the laws of the State of California, without regard to conflicts
16 of laws.

17 **Section 6.04: Entire Agreement**

18 This Agreement, including the Exhibits referred to herein, which form an integral part hereof,
19 contains the entire understanding of the Parties with respect to the subject matter contained herein.
20 In case of any conflict between text contained in Articles I through VI of this Agreement and text
21 contained in the Exhibits to this Agreement, the former (*i.e.*, Articles I through VI) shall be
22 controlling, unless the Exhibits are changed by or in response to a Court order. There are no
23 restrictions, promises, representations, warranties, covenants, or undertakings governing the subject
24 matter of this Agreement other than those expressly set forth or referred to herein. This Agreement
25 supersedes all prior agreements and understandings among the Parties with respect to the settlement
26 of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of
27 prior agreements or proposals.
28

1 **Section 6.05: Waiver of Compliance**

2 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
3 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
4 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
5 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or
6 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
7 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

8 **Section 6.06: Counterparts and Fax/PDF Signatures**

9 This Agreement, and any amendments hereto, may be executed in any number of counterparts
10 and any Party and/or their respective counsel may execute any such counterpart, each of which when
11 executed and delivered shall be deemed to be an original. All counterparts taken together shall
12 constitute one instrument. A fax, email or PDF signature on this Agreement shall be as valid as an
13 original signature.

14 **Section 6.07: Meet and Confer Regarding Disputes**

15 Should any dispute arise among the Parties or their respective counsel regarding the
16 implementation or interpretation of this Agreement, a representative of Class Counsel and a
17 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
18 to submitting such disputes to the Court.

19 **Section 6.08: Agreement Binding on Successors**

20 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
21 of each of the Parties.

22 **Section 6.09: Cooperation in Drafting**

23 The Parties have cooperated in the negotiation and preparation of this Agreement. This
24 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
25 was the drafter or participated in the drafting of this Agreement.

26 **Section 6.10: Fair and Reasonable Settlement**

27 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
28 the Action and have arrived at this Agreement through arm's-length negotiation and in the context

of adversarial litigation, taking into account all relevant factors, current and potential. The Parties further believe that the Settlement is and is consistent with public policy, and fully complies with applicable law.

Section 6.11: Headings

The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement and shall not be considered in interpreting this Agreement.

Section 6.12: Notice

Except as otherwise expressly provided in the Agreement, all notices, demands, and other communications under this Agreement must be in writing and addressed as follows:

To Named Plaintiff and the Class:

Kashif Haque
Samuel A. Wong
Jessica L. Campbell
Kristy R. Connolly
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251
kconnolly@aegislawfirm.com

And

To Defendant:

Raquel A. Hatfield
HENDERSON HATFIELD
1101 15th Street
Modesto, California 95354
Telephone: (209) 599-5003
Facsimile: (209) 599-5008
raquel@hendersonhatfield.com
cecilia@hendersonhatfield.com

Section 6.13: Enforcement of Settlement and Continuing Court Jurisdiction

To the extent consistent with class action procedure, this Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Action or the

liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall retain continuing jurisdiction over this Action and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Agreement. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement, the successful Party or Parties will be 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.

Section 6.14: Mutual Full Cooperation

The Parties agree fully to cooperate with each other to accomplish the terms of this Agreement, including but not limited to the execution of such documents, and the taking of such other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its terms. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court.

Section 6.15: Authorization to Act

Class Counsel warrants and represents that they are authorized by Named Plaintiff, and Defense Counsel warrants that they are authorized by Defendant, to take all appropriate action required to effectuate the terms of this Agreement, except for signing documents, including but not limited to this Agreement, that are required to be signed by the Parties themselves. Defendant represents and warrants that the individual executing this Agreement on its behalf has the full right, power, and authority to enter into this Agreement and to carry out the transactions contemplated herein.

Section 6.16: No Reliance on Representations

The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any

of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of entering into and executing this Agreement, or with respect to any other matters. No representations, warranties, or inducements, except as expressly set forth herein, have been made to any party concerning this Agreement.

EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____ KRISTINA LURA

By: _____
Named Plaintiff

Dated: 11/22/2024 CALAVERAS HEALTHY IMPACT
PRODUCT SOLUTIONS

By:  _____
(Signature) Craig Case

(Printed Name)
Executive Director

(Title)

APPROVED AS TO FORM ONLY:

Dated: _____ AEGIS LAW FIRM, PC

By: _____
Kristy R. Connolly

Attorneys for Named Plaintiff Kristina Lura

of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of entering into and executing this Agreement, or with respect to any other matters. No representations, warranties, or inducements, except as expressly set forth herein, have been made to any party concerning this Agreement.

EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 01/30/2025

KRISTINA LURA

By: 
Named Plaintiff

Dated: 11/22/2024

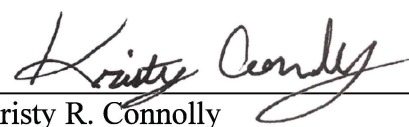
CALAVERAS HEALTHY IMPACT
PRODUCT SOLUTIONS

By: 
(Signature)
Craig Case
(Printed Name)
Executive Director
(Title)

APPROVED AS TO FORM ONLY:

Dated: 1/31/2025

AEGIS LAW FIRM, PC

By: 
Kristy R. Connolly

Attorneys for Named Plaintiff Kristina Lura

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Dated: 11/22/2024

HENDERSON HATFIELD

DocuSigned by:
By: Raqueel A. Hatfield
Raquel Hatfield

Attorneys for Defendant CALAVERAS
HEALTHY IMPACT PRODUCT SOLUTIONS
(C.H.I.P.S.)

EXHIBIT A

THIS IS AN IMPORTANT COURT APPROVED NOTICE. READ CAREFULLY.

Kristina Lura v. Calaveras Healthy Impact Product Solutions (C.H.I.P.S.)
Calaveras County Superior Court, Case No. 23CV46783

If you worked for Calaveras Healthy Impact Product Solutions (C.H.I.P.S.) as a non-exempt employee in California at any time from December 18, 2018 through August 19, 2024, the settlement of this class action lawsuit may affect your rights.

This is a court-authorized notice. It is not a solicitation from a lawyer.

- A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Kristina Lura v. Calaveras Healthy Impact Product Solutions (C.H.I.P.S.)*, Case No. 23CV46783 (Calaveras County Superior Court) (the “Lawsuit”). The purpose of this Notice of Class Action Settlement is to briefly describe the Lawsuit, and to inform you of your rights and options in connection with the Lawsuit and the Settlement.
- The Court has preliminarily approved a class action settlement with Defendant Calaveras Healthy Impact Product Solutions (“CHIPS” or “Defendant”), which will affect all non-exempt employees who worked for CHIPS in California at any time from December 18, 2018 through August 19, 2024 (the “Class Period”).
- If the Court grants final approval of the Settlement, there may be money available to you.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
PARTICIPATE IN THE SETTLEMENT – <u>NO ACTION REQUIRED</u>	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you become part of the Class and will be entitled to a settlement award as detailed below. But, you will not be able to bring your own lawsuit against CHIPS for violations that relate to the claims brought in this Lawsuit.
OBJECT TO THE SETTLEMENT	Stay in this Lawsuit. Object. Receive a payment. Give up certain rights. If you object to the settlement, you will remain a member of the Class. If the Court approves the settlement, you will be entitled to collect a settlement award and be bound by the terms of the settlement in the same way as Class Members who do not object.
ASK TO BE EXCLUDED	Get out of this Lawsuit. Receive no payment from the class settlement. Keep your rights. If you ask to be excluded from the Settlement, you will not receive any payment from the settlement award. But, you keep your right to sue CHIPS separately for the legal claims raised in this Lawsuit.

- **Regardless of the option you choose, you will not be retaliated against.**

- Your options are explained in this notice. To object to the settlement or to ask to be excluded, you must act before [REDACTED].
- **Any questions?** Read on or contact Class Counsel or the Settlement Administrator listed below.

BASIC INFORMATION

1. Why did I get this notice?

CHIPS's records show that you worked for CHIPS as a non-exempt employee in California at some point between December 18, 2018 through August 19, 2024.

The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement may be fair, adequate, and reasonable. Any final determination of those issues will be made at the final hearing. You have legal rights and options that you may exercise as part of this Settlement. Judge David Sanders of the Superior Court of the State of California, County of Calaveras is overseeing this lawsuit.

2. What is this lawsuit about?

In this Lawsuit, Plaintiff Kristina Lura ("Plaintiff") claims that CHIPS: (1) failed to pay minimum wages; (2) failed to pay overtime wages; (3) failed to comply with California Prevailing Wage Law; (4) failed to provide meal periods and/or pay meal period premiums; (5) failed to permit rest periods and/or pay rest period premiums; (6) made unlawful deductions; (7) failed to reimburse necessary business expenses; (8) failed to provide accurate itemized wage statements; (9) failed to pay wages timely during employment; (10) failed to pay all wages due upon separation of employment and within the required time; (11) violated California's Unfair Competition laws; and (12) that these violations entitle Plaintiff to recover civil penalties on behalf of the State of California under Labor Code § 2698 et. seq ("PAGA").

Throughout the litigation, CHIPS has denied—and continues to deny—the factual and legal allegations in the Lawsuit. CHIPS denies any wrongdoing and asserts that its conduct at all times complied with the law. However, CHIPS has voluntarily agreed to the terms of a negotiated settlement in order to avoid the burden and expense of continued litigation.

3. What is a class action and who is involved?

In a class action lawsuit such as this, a person called the "Class Representative" sues on behalf of other people who may have similar claims. The people together are referred to as a "Class" or "Class Members." The person who is the Class Representative is also called the plaintiff. The company being sued is called the defendant. In class action litigation, a Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

This class action also includes a "Private Attorneys General Act" ("PAGA") claim, where the Plaintiff is attempting to recover civil penalties on behalf of the State of California. In a PAGA action, the State of California receives 75% of any recovered civil penalties, and the employees receive 25%. This Settlement will resolve all claims for civil penalties arising from the claims made by Plaintiff in the Lawsuit during the period of June 19, 2022 through August 19, 2024 (the "PAGA Period").

4. Why is this Lawsuit a class action?

For settlement purposes only, Plaintiff and CHIPS agreed that this case can proceed as a class action and have agreed to ask the Court to approve the class action Settlement. The Court has not ruled on the merits of the claims in the Lawsuit.

5. What are the terms of the proposed Settlement?

The major terms of the settlement are as follows:

1. Defendant has agreed to pay \$175,000.00 to settle the claims in this Lawsuit. This amount is also known as the “Gross Settlement Amount.”
2. Plaintiff seeks the following deductions from the \$175,000.00 Gross Settlement Amount:
 - a. Up to one-third (1/3) of the Gross Settlement Amount (which is currently equal to \$58,333.33 for Class Counsel’s attorneys’ fees.
 - b. Up to \$25,000.00 for reimbursement of Class Counsel’s litigation costs.
 - c. An Incentive Award of up to \$10,000.00 to the Plaintiff for filing the Lawsuit, performing work in connection with the Lawsuit, and the risks associated with filing the Lawsuit.
 - d. Up to \$8,500.00 to cover the costs of the Settlement Administrator.
 - e. A PAGA Settlement Amount of up to \$10,000.00 for the release of PAGA claims. The PAGA Settlement Amount shall be allocated 75% (\$7,500.00) to the California Labor and Workforce Development Agency and 25% (\$2,500.00) to the non-exempt employees that worked for Defendant in California at any time during the PAGA Period (“PAGA Group Members”).

After making the above requested deductions from the Gross Settlement Amount, the remaining funds will be referred to as the “Net Settlement Amount.” The Net Settlement Amount will be distributed to Class Members who do not opt-out according to the number of weeks they worked for Defendant in California during the Class Period.

PAGA Settlement Payments. 25% of the PAGA Settlement Amount (or \$2,500.00) (“PAGA Group Payment”) will be paid to PAGA Group Members based on the number of pay periods they work for Defendant in California during the PAGA Period. If you are a PAGA Group Member, you will receive a pro rata share of the PAGA Group Payment regardless of whether you opt-out of the class settlement.

Check Cashing Period. If a settlement check remains uncashed after 180 days from the date it is issued, the check will become void and the amount of the uncashed check will be sent to the California State Controller’s Unclaimed Property Fund, to be held in your name.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The “Class” includes: All current and former non-exempt employees who are or were employed by Defendant in California at any time from December 18, 2018 through August 19, 2024.

7. I’m still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting Phoenix Settlement Administrators, the “Settlement Administrator”, at the designated phone number for this matter at [REDACTED] or by calling or writing the lawyers representing the Class in this case (“Class Counsel”), at the phone number or address listed in Section 19.

8. What is my approximate Individual Settlement Payment?

According to payroll records maintained by CHIPS, the total number of weeks you worked in California for CHIPS as a non-exempt employee during the Class Period is [REDACTED]. The total number of pay periods you worked in California for CHIPS as a non-exempt employee during the PAGA Period is [REDACTED].

Based on information provided above, anticipated court-approved deductions, and preliminary calculations Qualified Workweeks, it is estimated your share of the settlement will be \$ [REDACTED], less applicable taxes and withholdings. This amount includes your share of the PAGA Group Payment, which is estimated to be \$ [REDACTED],

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 16, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

If you believe your total weeks worked during the Class Period and/or PAGA Period shown above is not correct, you may contact the Settlement Administrator indicating what you believe is correct no later than [REDACTED]. You should send any documents or other information that supports your belief that the number of weeks set forth above is incorrect. The Settlement Administrator will attempt to resolve any dispute based upon CHIPS’s records and any information you provide.

9. What rights am I releasing if I participate in the Settlement?

If the Court grants final approval of the Settlement and you do not exclude yourself from the Settlement, you will be deemed to have released Defendant and each of its past, present and future subsidiaries, dbas, parents, divisions, related entities, joint venturers, as well as each of their respective owners, co-employers, joint employers, agents, officers, directors, stockholders, shareholders, investors, members, principles, subsidiaries, affiliates, partners, predecessors, successors, assigns, insurers, reinsurers, employees, attorneys, agents, heirs, estates, executors, spouses, associates, representatives, administrators, fiduciaries, trustees, accountants, auditors, company-sponsored employee benefit plans of any nature, and all other legal entities affiliated with the foregoing. (collectively, “Released Parties”) from any and all claims alleged in Named Plaintiff’s Operative Complaint, during the Class Period, including but not limited to (1) failure to pay minimum wages (2) failure to pay overtime wages (3) failure to comply with California Prevailing Wage Law; (4) failure to provide meal periods and/or pay

meal period premiums (5) failure to authorize or permit rest periods and/or pay rest period premiums (6) failure to reimburse necessary business expenses (7) failure to pay wages during employment (8) failure to pay wages upon separation of employment and within the required time (9) failure to furnish accurate itemized wage statements wage statements; (10) violation of California Business and Professions Code §§17200, *et seq.*, based on the preceding claims; (11) PAGA penalties pursuant to Labor Code §2699, *et seq.* (collectively, “Released Claims”); and (12) Unlawful Deductions (collectively, “Released Claims”).

Additionally, if you are a PAGA Group Member, you will have released the right to bring a claim for civil penalties under PAGA that arose during the PAGA Period, on behalf of the State of California, based on the facts alleged in the Operative Complaint in this Lawsuit (collectively, “Released PAGA Claims”). If you are a PAGA Group Member, you will release these Released PAGA Claims even if you opt-out of the class action settlement.

10. How do I object to the Settlement?

If you are a Class Member and would like to object to the Settlement, you must not submit a request for exclusion (*i.e.*, you must not opt-out). To object, you may mail a written objection to the Settlement Administrator at the address in Section 16 below. Your written objection must set forth the grounds for your objection and be signed and dated, along with any supporting documents. Any written objection must be mailed to the Settlement Administrator no later than [REDACTED]. You can also appear at the final approval hearing. The information for the hearing is included in Section 17 of this notice.

11. Why would I ask to be excluded?

You have the right to exclude yourself from the Class (and the class settlement). If you exclude yourself from the Class—sometimes called "opting-out" of the Class – you will not receive any money or benefits from the class settlement. However, if you opt out, you may then be able to sue or continue to sue CHIPS for your own claims if permitted by law. If you exclude yourself, you will not be legally bound by the Court's ruling in this Lawsuit except for the release by PAGA Group Members. Whether or not you submit a Request for Exclusion, if you are a PAGA Group Member, you will still be entitled to your portion of the PAGA Group Payment.

12. How do I ask to be excluded from the Class?

If you are a Class Member and would like to exclude yourself from the Class (“opt-out”), you, or your authorized representative, need to submit a written statement requesting exclusion from the Class to the Settlement Administrator at the address in Section 16 below. The statement must contain your name, address, telephone number, and your signature or the signature of your legally authorized representative and must be postmarked on or before [REDACTED]. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any class member who fails to submit a valid and timely request for exclusion will be bound by all terms of the settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

Class Counsel:

Kashif Haque
Samuel A. Wong
Jessica L. Campbell
Kristy R. Connolly
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251
kconnolly@aegislawfirm.com

The Court has preliminarily decided that Aegis Law Firm, PC is qualified to represent you and all Class Members. The law firm's attorneys are experienced in handling similar cases against other employers. More information about this law firm, their practice, and their lawyers' experience is available at www.aegislawfirm.com.

14. How will the lawyers be paid?

As part of the Settlement, Class Counsel has requested one-third of the Gross Settlement Amount (currently equal to \$58,333.33) in attorneys' fees, plus costs not to exceed \$25,000.00, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

15. How will the Plaintiff be paid?

As part of the Settlement, Class Counsel has requested an incentive award of up to \$10,000 to be paid to the Plaintiff for her efforts in this matter, while serving as Class Representative and taking on the burden and risks of litigation.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS**16. Who is handling the Settlement Administration process?**

Phoenix Settlement Administrators

[address]

[address]

[Telephone]

17. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for [REDACTED], at [REDACTED] in Room [REDACTED] of the Superior Court of California, County of Calaveras, located at 400 Government Center Drive, San Andreas, CA 95249. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement, you may appear at the hearing. Please note that the hearing may be continued without further notice to the Class.

18. When will I get money after the hearing?

The Court will hold a hearing on [REDACTED], at [REDACTED], to decide whether to approve the settlement. If the Court approves the settlement, then there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. If the Court approves the settlement and if you do not opt out, your individual payment set forth in Section 8 above is expected to be distributed after CHIPS fully funds the Gross Settlement Amount to the Settlement Administrator. CHIPS will fund the Gross Settlement Amount in four installments with the final payment due no later than August 19, 2026. The Settlement Administrator will mail the settlement checks within 10 days after receiving the final payment from CHIPS.

To check on the progress of the settlement, contact the Settlement Administrator or Class Counsel at the phone number or address listed in Section 19.

GETTING MORE INFORMATION

19. Are more details available?

For more information, the pleadings and other records in this litigation, including copies of the Settlement Agreement, may be examined at any time during regular business hours at the office of the Clerk of the Superior Court of the State of California for Calaveras, located at 400 Government Center Drive, San Andreas, CA 95249. You can also view the case records online at the court's website: <https://portal-cacalaveras.tylertech.cloud/Portal/Home/Dashboard/29> Enter 23CV46783 for the Case Number and click "Submit" to view the Case record.

Any questions regarding this Class Notice or the Lawsuit may be directed to the Settlement Administrator at the address and/or telephone number listed in section 16 of this Notice. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address, telephone number or email address set forth above. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

PLEASE DO NOT CALL OR WRITE TO THE COURT, OR TO ANY OF DEFENDANT'S MANAGERS, SUPERVISORS, OR DEFENDANT'S ATTORNEYS WITH QUESTIONS ABOUT THIS NOTICE.