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8 Attorneys for Plaintiff Connie Esparza
9 and Proposed Class Counsel

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF IMPERIAL

CONNIE ESPARZA, on behalf of herself
and all others similarly situated,

Plaintiff,

v.

RITZ FMS, INC., a California corporation,
and DOES 1 through 10, inclusive,

Defendants.

CASE NO: ECU004828

Assigned to Hon. L. Brooks Anderholt, Dept. 9

**DECLARATION OF EVAN S. GAINES IN
SUPPORT OF UNOPPOSED MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT**

Date: October 29, 2026

Time: 8:30 a.m.

Dept.: 9

Complaint Filed: July 8, 2026

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1 7. On July 8, 2026, Plaintiff initiated her Action in the Imperial County Superior Court
2 by filing a Class and Representative Action Complaint, pursuant to PAGA, on behalf of herself,
3 all others similarly situated, the general public, and all “aggrieved employees” (“Complaint”).

4 8. The Complaint asserts claims against Defendant for (1) Failure To Reimburse All
5 Business-Related Expenses (Labor Code § 2802); (2) Failure To Provide Meal Periods Or
6 Compensation In Lieu Thereof (Labor Code §§ 226.7, 512, 1174, and 1174.5; IWC Wage Order
7 5-2001); (3) Failure To Provide Rest Periods Or Compensation In Lieu Thereof (Labor Code §
8 226.7; IWC Wage Order 5-2001); (4) Failure To Comply With Itemized Employee Wage
9 Statement Provisions (Labor Code § 226(a), (e), (h)); (5) Failure To Timely Pay Wages Due At
10 Separation Of Employment (Labor Code §§ 201-203); (6) Violation Of Business And Professions
11 Code § 17200 *et seq.*; and (7) Penalties Pursuant To Labor Code § 2699(f) For Violations Of Labor
12 Code §§ 201, 202, 204, 226(a), 226.7, 512, 1174, 1174.5, and 2802 and Pursuant To Labor Code
13 § 2699(a) For Violations Of Labor Code §§ 210, 226.3, and 558.

14 9. Defendant denies any liability or wrongdoing of any kind whatsoever in connection
15 with the claims in the Action and further denies that, for any purpose other than settling this Action,
16 this Action is appropriate for class action or representative treatment.

17 10. The Class Representative contends that Defendant violated the California Labor
18 Code and Industrial Welfare Commission Wage Order(s), and that this case is appropriate for class
19 certification.

20 **Investigation and Settlement Discussions:**

21 11. I have conducted a thorough investigation into the facts and law during the
22 prosecution of this class action case, including the exchange of limited informal discovery,
23 including but not limited to documents regarding Defendant’s employment/workplace policies in
24 place during the applicable period and a sample of records relating to the wage statement contents
25 and wages paid to Defendant’s non-exempt employees during the relevant time periods, and the
26 review and verification of other facts and information provided by Defendant. I have investigated
27 the applicable law as applied to the facts discovered regarding the alleged claims of Plaintiff and
28 potential defenses thereto, and the damages and other losses claimed by Plaintiff.

1 12. On June 25, 2026, the Parties participated in a full-day mediation with Jeremy
2 Naftel, Esq., wherein the Parties reached a settlement of Plaintiff's class and representative wage
3 and hour claims and separately resolved Plaintiff's individual claims.

4 **Class Counsel's Assessment of the Fairness of the Settlement and the Risks of Continued**

5 **Litigation:**

6 13. Based on my independent investigation and evaluation, I am of the opinion that
7 settlement for the consideration and on the terms set forth in the Settlement Agreement is fair,
8 reasonable, and adequate and is in the best interest of the Settlement Class in light of all known
9 facts and circumstances, including the risk of significant delay, the risk the Settlement Class will
10 not be certified by the Court, and the defenses asserted by Defendant.

11 14. The Parties agree that the Settlement Class described herein may be certified for
12 settlement purposes only and that any motion for approval seeking, *inter alia*, certification of the
13 Settlement Class is for purposes of the settlement only. If for any reason the Settlement is not
14 approved, the certification will have no force or effect and will immediately be revoked. The
15 Parties further agree that certification for purposes of the settlement is in no way an admission that
16 class certification is proper under the more stringent standard applied for litigation and that
17 evidence of the Settlement Agreement is for settlement purposes only and will not be admissible
18 for any purpose in this or any other proceeding.

19 15. The Parties jointly prepared the Settlement Agreement and Release of Claims
20 ("Settlement"). A true and correct copy of the Settlement is attached hereto as **Exhibit B**.

21 16. Plaintiff asserts that Defendant failed to pay Plaintiff and Class Members premium
22 wages for missed, denied and unauthorized rest periods in violation of Labor Code § 226.7 and
23 IWC Wage Order 5-2001. Plaintiff and other Class Members contend that they were denied, and
24 therefore unable to take, 10-minute on-the-clock rest periods for every four hours of work or major
25 fraction thereof, but were not paid premium wages of one hour's pay for each missed, denied and
26 unauthorized rest period. Plaintiff and Class Members were frequently too busy to take a rest
27 period. When they were able to take a rest period, they were oftentimes late, cut short, or on-duty.
28 However, Defendant also maintained defenses to this claim. Defendant contends that Class

1 Members were allowed uninterrupted rest breaks for every four hours worked or major fraction
2 thereof. Based on a 20% violation rate based on Plaintiff's experience, she calculates the damage
3 liability for this claim at up to \$256,040 and PAGA civil penalty liability totaling up to \$212,400.

4 17. Plaintiff further alleges that Defendant failed to permit or authorize Plaintiff and
5 Class Members to take timely 30-minute meal periods for shifts greater than 5 hours in length.
6 When they were able to take a meal period, they were oftentimes late, cut short, or on-duty.
7 Furthermore, Defendant also failed to maintain adequate meal period records that show the start
8 and stop time for meal periods. This violates Labor Code §§ 226.7, 512, 1174, and 1174.5 and
9 IWC Wage Order 5-2001. However, Defendant also maintained defenses to this claim. Defendant
10 contends Class Members working more than 5 hours received 30-minute, unpaid, uninterrupted
11 meal breaks, or Class Members worked less than 5 hours, or Class Members worked more than 5
12 hours (but less than 6 hours) with a Meal Waiver, or Class Members received on-duty meal breaks
13 (with pay). Based on a 20% violation rate based on Plaintiff's experience, she calculates the
14 damage liability for this claim at up to \$256,040 and PAGA civil penalty liability totaling up to
15 \$212,400.

16 18. Plaintiff also contends that Defendant also failed to timely pay all wages due to
17 Plaintiff and other Aggrieved Employees during their employment, in violation of Labor Code §§
18 204 and 210. Defendant paid Plaintiff and other Aggrieved Employees on a semi-monthly basis,
19 but failed to issue them all their wages within ten calendar days of the conclusion of the payroll
20 period, as required by Labor Code § 204(a). This subjects Defendant to penalties as authorized
21 by Labor Code § 210. However, Defendant also maintained defenses to this claim. Defendant
22 contends Class Members were timely paid. Wage payment data provided by Defendant
23 demonstrated a maximum PAGA civil liability for this claim at \$748,600.

24 19. Plaintiff also argues that Defendant failed to issue Plaintiff and Class Members
25 accurate itemized wage statements. As detailed above, Plaintiff and Class Members contend that
26 they were not paid all wages due. As a result, the wage statements issued by Defendant to Plaintiff
27 and Class Members would fail to accurately state all gross wages earned, in violation of Labor
28 Code § 226(a)(1); total hours worked, in violation of Labor Code § 226(a)(2); net wages earned,

1 in violation of Labor Code § 226(a)(5); and all applicable hourly rates in effect during the pay
2 period and the corresponding number of hours worked, in violation of Labor Code § 226(a)(9).
3 This is a wholly derivative claim. Plaintiff calculates the statutory penalty liability for this claim
4 at up to \$180,860 and PAGA civil penalty liability for this claim at \$212,400.

5 20. Defendant also allegedly failed to pay Plaintiff and 54 formerly employed Class
6 Members all wages due timely upon separation of employment, in violation of Labor Code §§
7 201-203. This is a derivative claim for which Plaintiff calculates the statutory penalty liability at
8 \$379,200 and PAGA civil penalty liability at \$7,900.

9 21. Finally, Plaintiff also argues that Defendant failed to reimburse Plaintiff and Class
10 Members for all business expenses incurred (cellular phone usage), in violation of Labor Code §
11 2802; however, Plaintiff was unable to calculate the actual unreimbursed expenses owed due to
12 the individual nature of the claims.

13 22. Defendant has vigorously disputed Plaintiff's claims. Defendant contends that its
14 policies and practices complied with California law at all times; that Class Members were provided
15 compliant meal and rest periods; that it timely paid all wages due during and upon separation of
16 employment; and that the wage statements it provided to its employees fully complied with Labor
17 Code § 226. Defendant further contends that, if this case were litigated, class certification would
18 be inappropriate because Plaintiff is not an adequate class representative, her claims are not typical
19 of the putative class, and individual issues predominate over common ones. Plaintiff also faced
20 risks beyond Defendant's defenses. Even if liability were established, waiting-time penalties under
21 Labor Code § 203 are unavailable where there is a good-faith dispute that wages were owed;
22 statutory penalties under Labor Code § 226(e) require a knowing and intentional violation; and the
23 Court has discretion to reduce any PAGA civil penalty award. In light of these contested issues
24 and the costs and risks of non-certification and loss on the merits, I am of the opinion that the
25 Settlement reached is clearly a favorable one.

26 23. The Settlement for each Class Member is fair, reasonable and adequate, given the
27 inherent risk of litigation, the risk relative to class certification and the costs of pursuing such
28

1 litigation. The Settlement shall finally resolve all claims of the Class Members as alleged in the
2 Action.

3 **Class Certification Requirements:**

4 24. In this case, the Class Members are identifiable from Defendant's employment and
5 payroll records. Further, the Settlement Class is sufficiently numerous to warrant certification.
6 According to Defendant's records, the Class comprises approximately 332 members.

7 25. The Class Members' claims all stem from a common source: members of the
8 Settlement Class allege that Defendant violated the same Labor Code provisions in connection
9 with their employment in non-exempt positions. All members of the Class seek the same relief
10 under the same California laws (related to failure to pay all wages due, provide meal and rest
11 periods, issue accurate and complete wage statements, timely pay wages due upon separation, and
12 derivative claims). Under these circumstances, the commonality requirement is satisfied for
13 purposes of certifying the Settlement Class for settlement purposes.

14 26. In this case, named Plaintiff and proposed Class Representative Connie Esparza is
15 a former non-exempt employee who worked for Defendant in the State of California during the
16 Class Period. She contends that Defendant failed to timely pay all wages due during employment,
17 failed to provide meal and rest periods, failed to comply with itemized employee wage statement
18 provisions, and failed to timely pay wages at the separation of employment, in violation of Labor
19 Code §§ 201, 202, 203, 204, 210, 226(a), 226.7, 512, 1174, 1174.5, 2698, and 2699, among other
20 Labor Code provisions. She has the same claims as those that the members of the Settlement Class
21 would reasonably be expected to bring based on the course of conduct alleged herein.

22 27. Plaintiff has also demonstrated that she will aggressively and competently assert the
23 interests of the proposed Settlement Class; she has taken an active role in the litigation and has no
24 apparent conflicts with other class members. In addition to this Settlement, Plaintiff and Defendant
25 entered into a separate Confidential Settlement Agreement and General Release of All Claims (the
26 "Individual Settlement Agreement"), which resolves Plaintiff's individual, non-PAGA claims
27 arising out of her employment, including her termination-related claims. Settlement at H.1. The
28 consideration Plaintiff receives under the Individual Settlement Agreement is paid separately

1 from, and does not reduce, the Gross Settlement Amount, and it is given in exchange for a general
2 release of individual claims that Class Members are not asked to release. The class terms were
3 negotiated and agreed upon before the Parties discussed Plaintiff's individual claims. Plaintiff is
4 not requesting a class representative service award. Although the Individual Settlement Agreement
5 is void if this Settlement does not become effective, that condition simply reflects that the Parties
6 negotiated a global resolution; it does not give Plaintiff an interest adverse to the Settlement Class.
7 I will lodge the Individual Settlement Agreement for the Court's in camera review upon request.

8 **Settlement of Claims Pursuant to Labor Code § 2699 et seq. (PAGA):**

9 28. Concurrently with the filing of this Motion, I am transmitting the Settlement
10 Agreement (and these approval documents) to the LWDA, in compliance with Labor Code §
11 2699(1)(2). Evidence of submission is attached hereto as **Exhibit C**.

12 I declare, under penalty of perjury, under the laws of the State of California, that the
13 foregoing is true and correct. Executed on September 29, 2026 at Westlake Village, California.

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16 EVAN S. GAINES
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EXHIBIT A

Adams v. Sam's West, Inc., San Bernardino County Superior Court, Case No. CIVDS1403987

Amenhotep v. Google, Inc., Santa Clara County Superior Court, Case No. 17CV311528

Anaya v. Progressive Logistics Services, LLC, Riverside County Superior Court, Case No. RIC1308270

Aranda, et al. v. Universal Lumpers of California, Inc., San Joaquin County Superior Court, Case No. STK-UOE-2017-7826

Armendariz v. Integrated Pain Management Medical Group, Inc., Kern County Superior Court, Case No. BCV-19-100267-SDS

Barrow, et al. v. Desmond Foods, L.P., Sacramento County Superior Court, Case No. 34-2015-00187227

Bosser v. Hooked on Solar, Yolo County Superior Court, Case No. CVCV-2016-876

Bourland v. Horizon Personnel Services, Inc., Sacramento County Superior Court, Case No. 34-2014-00161365-CU-OE-GDS

Bowen v. IMI Material Handling Logistics, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2016-0000192

Branson v. Mladen Buntich Construction, San Bernardino County Superior Court, Case No. CIVDS1609129

Calhoun v. Celadon Trucking Services, Inc., USDC – Central District of California (Los Angeles), Case No. 5:16-cv-01351-PSG-FFM

Carlisle, et al. v. Professional Technical Security Services, Inc., Case No. CGC18569791

Carrillo v. Bimbo Bakeries, Inc., San Bernardino County Superior Court, Case No. CIVDS1606813

Cheifer, et al. v. WHGM, Inc., Los Angeles County Superior Court, Case No. LC104900

Contreras v. Osmose Utilities Services, Inc., San Bernardino County Superior Court, Case No. CIVDS1513998

Contreras v. West American Service Corporation, Kings County Superior Court, Case No. 14C0280

Cowen, et al. v. Evergreen Alliance Golf Limited, L.P., d/b/a Arcis Golf, San Bernardino County Superior Court, Case No. CIVDS1719283

Cunningham v. Performance Contracting, Inc., Contra Costa County Superior Court, Case No. C16-02157

Dabney v. Coneybeare, LLC, et al., Orange County Superior Court, Case No. 30-2018-00999989-CU-OE-CXC

Dabney, et al. v. Panera, LLC., San Bernardino County Superior Court, Case No. CIVDS1516030

Duran v. J.S. Homen Trucking, Inc., Imperial County Superior Court, Case No. ECU004017

Esakhani v. Central Valley Gaming, Stanislaus County Superior Court, Case No. 2020667

Espinosa v. Taltech Construction, et al., Los Angeles County Superior Court, Case No. BC590176

Espinosa v. Bodycote Thermal Processing, Inc., Los Angeles County Superior Court, Case No. BC501617

Espinoza v. Pabco Building Products, LLC, Los Angeles County Superior Court, Case No. VC065660

Friel v. Midwest Construction Services, Inc., San Joaquin County Superior Court, Case No. 39-2015-00329204-CU-OE-STK

Gagnon v. Banc of California, Contra Costa County Superior Court, Case No. C 15-00196

Geer v. Applied Aerospace Structures Corp., San Joaquin County Superior Court, Case No. 39-2014-00313702-CU-OE-STK

Getz v. California Cinema Investments, Inc., Ventura County Superior Court, Case No. 56-2013-00437706-CU-MC-VTA

Gharremain v. Grieco Motors West LLC, Ventura County Superior Court, Case No. 2024CUOE023304

Guerrero v. Main Electric Supply Company LLC, Ventura County Superior Court, Case No. 56-2019-00525427-CU-OE-VTA

Gutierrez v. Asset Management Specialists, Inc., Fresno County Superior Court, Case No. 12CECG03577

Hurtado v. Rush Truck Centers of California, Inc., Los Angeles County Superior Court, Case No. BC427672

Ibrihim v. Imperfect Foods, Inc., San Joaquin County Superior Court, Case No. STK-VI-UOE-2019-0000846

Jenkins v. Sedgwick Claims Management Services, Inc., Los Angeles Superior Court, Case No. LC101648

Job v. California Security Services, Yuba County Superior Court, Case No. 14-0000820

Kunsman v. Punch Bowl Sacramento, LLC, et al., Sacramento County Superior Court, Case No. 34-2018-00243175

LaFear v. Encore Education Corporation, San Bernardino County Superior Court, Case No. CIVDS1802251

Lanzarin v. AWI Management Corporation, Solano County Superior Court, Case No. FCS041809

Lewis v. American Casino & Entertainment Properties LLC, San Bernardino County Superior Court, Case No. CIVDS1719094

Leon v. Piercey West Inc., Los Angeles County Superior Court, Case No. BC656874

Lingad v. Top Quality Manufacturing, LLC, Los Angeles County Superior Court, Case No. 24STCV03079

Lopez v. Go Green Auto Spa Franchise, Inc., et al., Los Angeles County Superior Court, Case No. BC 562212

Macias v. American Tire Distributors, Inc., Kern County Superior Court, Case No. BCV-18-101586

Mayne v. John Muir Behavioral Health, Contra Costa County Superior Court, Case No. C17-00998

Molina v. Berkshire Hathaway Energy Company, et al., Imperial County Superior Court, Case No. ECU000522

Myles v. Central Transport LLC, San Bernardino County Superior Court, Case No. CIVDS1401434

Ochoa v Agusa, Kings County Superior Court, Case No. 24CU0042

Osier v. Heritage Bag Company, et al., Imperial County Superior Court, Case No. ECU003651

Ponce, et al. v. Express Dry, Inc., San Diego County Superior Court, Case No. 37-2024-00022921-CU-OE-CTL

Rambeau v. C.C.M. Corporation, et al., Sacramento County Court, Case No. 34-2018-00244842

Rankins v. Roman Empire Living Skills, Inc., Los Angeles County Superior Court, Case No. BC713399

Richard v. A-Para Transit Corp., Alameda County Superior Court, Case No. HG17870373

Roden v. Service Champions, San Bernardino County Superior Court, Case No. CIVDS1613183

Sebrell v. Pomeroy IT Solutions, San Bernardino County Superior Court, Case No. CIVDS1721560

Seymour v. Quest Service Group, LLC, Sacramento County Superior Court, Case No. 34-2017-00206917

Silva v. Driveline Retail Merchandising, Inc., Imperial County Superior Court, Case No. ECU003111

Smith v. Steelcase, Inc., San Bernardino County Superior Court, Case No. CIVDS1725850

Sohal v. Foster Poultry Farms, Stanislaus County Superior Court, Case No. 2026605

Solorzano v. FDS Manufacturing Corporation, Los Angeles County Superior Court, Case No. BC542532

Spitzer, et al. v. FRHI Hotels & Resorts (Canada) Inc., San Bernardino County Superior Court, Case No. CIVDS1712220

Taylor v. A Plus Tree, LLC, Solano County Superior Court, Case No. CU24-03172

Thompson v. Sidhu Truck Line, Inc., Kern County Superior Court, Case No. BCV-15-101308-DRL

Tripp v. California Guest Services, Inc., Plumas County Superior Court, Case No. CV16-00036

Valdez v. Diamond Landscaping, Inc., Los Angeles County Superior Court, Case No. BC497097

Valencia v. American Team Managers, Inc., Orange County Superior Court, Case No. 30-2016-00857365-CU-CR-CXC

Warner v. Waterdrops Express Car Wash, LLC, Tulare County Superior Court, Case No. 265708

White v. Sally Beauty Supply, LLC, Imperial County Superior Court, Case No. ECU08177

Winningham v. Storer Transportation Service, San Joaquin County Superior Court, Case No. 39-2015-00324708-CU-STK

Woods, et al. v. F&B Innovations, LLC, San Bernardino County Superior Court, Case No. CIVDS1717765

Wright v. Social Vocational Services, Inc., Kern County Superior Court, Case No. BCV-15-101264

EXHIBIT B

EVAN S. GAINES, ESQ. SBN 287668
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Attorneys for Plaintiff Connie Esparza,
on behalf of herself, all "aggrieved employees,"
and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF IMPERIAL

CONNIE ESPARZA, on behalf of herself
and all others similarly situated and on
behalf of the general public,

Plaintiff,

v.

RITZ FMS, INC., a California corporation,
and DOES 1 through 10, inclusive,

Defendants.

CASE NO: ECU004828

Assigned to Hon. L. Brooks Anderholt, Dept. 9

**SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

Complaint Filed: July 8, 2026

1 **SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS**

2 This Settlement Agreement and Release of Claims (“Settlement Agreement”) is made and
3 entered into by and between Plaintiff Connie Esparza (“Esparza,” “Plaintiff,” or “Class
4 Representative”), individually and on behalf of all others similarly situated, and Defendant Ritz
5 FMS, Inc. (collectively, “Defendant”), subject to the terms and conditions herein and the Court’s
6 approval.

7 **A. Definitions.**

8 1. Plaintiff, the Settlement Class (as defined below), Aggrieved Employees and
9 Defendant are collectively referred to herein as “the Parties.”

10 2. Evan S. Gaines, Esq. of Gaines Law Corporation is counsel of record for Plaintiff
11 Connie Esparza. For purposes of this Settlement Agreement only, Gaines Law Corporation shall
12 be designated as “Class Counsel.”

13 3. The “Action” means *Connie Esparza v. Ritz FMS, Inc.*, Imperial County Superior
14 Court Case. No. ECU004828 (the “Action”).

15 4. The “Settlement Class” shall be defined as “all non-exempt employees of Defendant
16 Ritz FMS, Inc., in California at any time between April 6, 2022 and June 25, 2026. Defendant
17 represents that this Class contains no more than 332 Class Members who worked no more than
18 12,802 workweeks during the Class Period (defined below).

19 5. The “Class Period” shall be defined as the time period between April 6, 2022 and
20 June 25, 2026.

21 6. The “Aggrieved Employees” shall be defined as “all non-exempt employees of
22 Defendant Ritz FMS, Inc., in California at any time between January 30, 2025 and June 25, 2026
23 (the “PAGA Period”).”

24 7. Members of the Settlement Class shall collectively be referred to as a “Class
25 Member” or “Class Members.” Any Class Member who files a timely request for exclusion, as
26 detailed below, will be excluded from the final Settlement Class.

27 8. The “Effective Date” is defined as the date the Court signs an order granting final
28 approval of the settlement and entering judgment thereon (the “Effective Date”) If objections to

1 the settlement are filed that are not subsequently withdrawn, the Effective Date of the settlement is
2 the sixty-fifth (65th) day after notice of the final approval order is mailed, unless an appeal is filed,
3 in which case the Effective Date is the day after (1) the settlement is upheld by the Court of Appeals,
4 or (2) all appeals are dismissed.

5 **B. General.**

6 1. On January 30, 2026, Plaintiff Esparza exhausted the pre-filing requirements of the
7 Labor Code Private Attorneys General Act of 2004 (“PAGA”).

8 2. On July 8, 2026, Plaintiff Esparza initiated her Action in the Imperial County
9 Superior Court by filing a class and representative action complaint, pursuant to PAGA, on behalf
10 of herself, all others similarly situated aggrieved employees.

11 3. As set forth in the Complaint, the Action assert class claims against Defendant for
12 (1) failure to provide meal periods or compensation in lieu thereof (Labor Code §§ 226.7 and 512;
13 IWC wage order 4-2001); (2) failure to provide rest periods or compensation in lieu thereof (Labor
14 Code § 226.7; IWC Wage order 4-2001); (3) failure to reimburse business expenses (Labor Code
15 § 2802); (4) failure to comply with itemized employee wage statement provisions (Labor Code §
16 226(a), (e)); (5) failure to timely pay wages due at the separation of employment (Labor Code §§
17 201-203); (6) Violations of Business and Professions Code §§ 17200 *et seq.*; and (7) penalties
18 pursuant to Labor Code §2699(f) for violation of labor code §§201, 202, 204, 226(a), 226.7, 512,
19 1174, 1174.5, and 2802 and pursuant to labor code § 2699(a) for violations of labor code §§ 210,
20 226.3, and 558.

21 4. Defendant denies any liability or wrongdoing of any kind associated with the claims
22 alleged in the Action, and further denies that the Action are appropriate for class treatment for any
23 purpose other than this settlement. Defendant contends that it has complied at all times with the
24 California Labor Code. It is Defendant’s position that, if this case were to be litigated, class
25 certification would be inappropriate because Plaintiff is not an adequate Class Representative,
26 Plaintiff’s claims are not typical of putative class members, and individual issues predominate over
27 class issues, among other defenses. The Action, the negotiation and execution of this Settlement
28 Agreement, and all acts performed or documents executed pursuant to or in furtherance of this

1 Settlement Agreement (i) shall not be used as an admission, or as evidence of wrongdoing by the
2 Defendant, or for any other purpose whatsoever; (ii) shall not be an admission or evidence of fault
3 on behalf of Defendant in any action before a civil court, criminal court, administrative agency of
4 any type, or other tribunal; and (iii) shall not be deemed to be, and may not be used as, an admission
5 or evidence of the appropriateness of these or similar claims for class certification in the Action or
6 with respect to any other proceeding whatsoever.

7 5. The Class Representative contends that Defendant violated the California Labor
8 Code and Industrial Welfare Commission Wage Order(s), and that this case is appropriate for class
9 certification.

10 6. Class Counsel represent that he has conducted a thorough investigation into the facts
11 and law during the prosecution of this class action case, including the exchange of informal
12 discovery and other facts and information provided by Defendant. Counsel for the Parties also
13 represent that they have investigated the applicable law as applied to the facts discovered regarding
14 the alleged claims of Plaintiff and potential defenses thereto, and the damages and other losses
15 claimed by Plaintiff.

16 7. On June 25, 2026, following their exchange of information and documents regarding
17 the Settlement Class and the claims and defenses asserted by the Parties, the Parties engaged in
18 arm's-length negotiations with the assistance of an experienced wage and hour mediator, Jeremy
19 Naftel, Esq., where the Parties were able to reach the resolution of the Action set forth herein.

20 8. Based on his own independent investigation and evaluation, Class Counsel is of the
21 opinion (and will so represent to the Court) that settlement for the consideration and on the terms
22 set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of
23 the Settlement Class in light of all known facts and circumstances, including the risk of significant
24 delay, the risk the Settlement Class will not be certified by the Court, and the defenses asserted by
25 Defendant. Defendant and its counsel also agree (and will so represent to the Court) that this
26 settlement is fair and in the best interest of the Settlement Class.

27 9. The Parties agree that the Settlement Class described herein may be certified for
28 settlement purposes only and that any motion for approval seeking, *inter alia*, certification of the

1 Settlement Class is for purposes of the settlement only. If for any reason the settlement is not
2 approved, the certification will have no force or effect and will immediately be revoked. The
3 Parties further agree that certification for purposes of the settlement is in no way an admission that
4 class certification is proper under the more stringent standard applied for litigation and that
5 evidence of this limited Settlement Agreement for settlement purposes only will not be admissible
6 for any purpose in this or any other proceeding.

7 **C. Terms of Settlement.**

8 1. The financial terms of the Settlement Agreement are as follows:

9 (a) **Gross Settlement Amount:** The Parties agree to settle the Action for a Gross
10 Settlement Amount of **Three Hundred Thirty Thousand U.S. Dollars (\$330,000)** (“the Gross
11 Settlement Amount”), subject to any increase based on the escalator provision in paragraph H(17)
12 herein. The Gross Settlement Amount includes the attorney’s fees of Class Counsel; litigation costs
13 and expenses (which includes, without limitation, all such fees and costs incurred to date, as well
14 as such fees and costs to be incurred in documenting the settlement, providing any notices required
15 as part of the settlement, securing Court approval of the settlement, and obtaining judgment in the
16 Action); the payment to the California Labor and Workforce Development Agency (“LWDA”);
17 and all costs of administration, including, without limitation, settlement administration fees and
18 expenses. All employer payroll tax obligations due on wage payments made from the Net
19 Settlement Proceeds shall be paid by Defendant separately and apart from, and in addition to, the
20 Gross Settlement Amount.

21 (b) **Net Settlement Proceeds:** “Net Settlement Proceeds” is defined as the
22 Gross Settlement Amount less the amounts approved and awarded by the Court for: attorney’s fees
23 and documented litigation costs and expenses incurred or advanced by Class Counsel; the payment
24 to the LWDA pursuant to PAGA; and the costs of administering the settlement.

25 (c) **Calculation of the Individual Payment Amounts:** “Individual Payment
26 Amount” means the portion of the Net Settlement Proceeds distributable to each Class Member
27 who participates in the Class Settlement (i.e., who does not submit a valid request for exclusion
28 form) and each Aggrieved Employee, whether they participate in the Class Settlement or not. As

1 to participating Class Members, the class portion of the Individual Payment Amount will be
2 determined by dividing the Net Settlement Proceeds, less the \$10,500 PAGA allocation, by the
3 total number of weeks worked by the entire Settlement Class during the Class Period, net of opt
4 outs, resulting in the class workweek value; and then multiplying the class workweek value by the
5 number of weeks worked by each participating Class Member during the Class Period. As to the
6 Aggrieved Employees, the PAGA portion of the Individual Payment Amount will be determined
7 by dividing the PAGA settlement amount (\$10,500) by the total number of weeks worked by all
8 Aggrieved Employees during the PAGA Period, resulting in the PAGA workweek value; and then
9 multiplying the PAGA workweek value by the number of weeks worked by each Aggrieved
10 Employee during the PAGA Period.

11 (d) For tax purposes, the class portion of each Individual Payment Amount will
12 be apportioned (a) 10% as wages (reported on an IRS Form W-2 and subject to applicable
13 withholdings); and (b) 90% equally as penalties and interest (reported on an IRS Form 1099, if
14 required). The PAGA portion of each Individual Payment Amount will be apportioned 100% as
15 penalties (reported on an IRS Form 1099, if required). All Individual Payment Amounts paid to
16 Class Members and Aggrieved Employees will be subject to any applicable wage garnishments,
17 liens, or other legally mandated treatment as required by law.

18 (e) **PAGA Payments:** The Parties agree that Thirty Thousand Dollars (\$30,000)
19 shall be allocated to settle Plaintiff's claims brought pursuant to PAGA. Of this amount, Sixty-Five
20 percent (65%), or Nineteen Thousand Five Hundred Dollars (\$19,500), shall be paid to the LWDA,
21 and the remaining Thirty-Five percent (35%), or Ten Thousand Five Hundred Dollars (\$10,500),
22 shall be paid to Aggrieved Employees as part of the Net Settlement Proceeds.

23 (f) **Attorney's Fees:** An award to Class Counsel of attorney's fees will be
24 deducted from the Gross Settlement Amount in an amount to be set by the Court taking into account
25 the settlement award that has been made available for the Settlement Class by the efforts of Class
26 Counsel. The amount awarded shall not exceed 35% of the Gross Settlement Amount (i.e., One
27 Hundred Fifteen Thousand Five Hundred Dollars (\$115,500)). An IRS Form 1099 will be issued
28 to Class Counsel with respect to its award of attorney's fees. Defendant agrees not to dispute or

1 otherwise object to the attorney's fee award requested by Class Counsel so long as the request does
2 not exceed 35% of the Gross Settlement Amount.

3 (g) **Attorney's Costs and Expenses:** Class Counsel will be reimbursed from
4 the Gross Settlement Amount in an amount to be set by the Court for documented out-of-pocket
5 litigation costs and expenses, not to exceed Ten Thousand Dollars (\$10,000). An IRS Form 1099
6 will be issued to Class Counsel with respect to its award of costs and expenses. Defendant agree
7 not to dispute or otherwise object to the attorney's cost award requested by Class Counsel so long
8 as the request does not exceed \$10,000.

9 (h) **Settlement Administration Costs:** The fees and other charges of the
10 Settlement Administrator to administer the Settlement are expected to total no more than Ten
11 Thousand Dollars (\$10,000) and will be paid from the Gross Settlement Amount. These fees shall
12 include any costs associated with the required tax reporting on any Individual Payment Amounts,
13 and the issuing of any and all W-2 and 1099 forms. Subject to approval of the Court, the Parties
14 have agreed that Phoenix Class Action Administration Solutions will serve as a neutral third-party
15 claims' administrator ("Settlement Administrator") to perform all acts related to providing notice
16 to the Settlement Class. Settlement Administrator shall be responsible for (a) printing and
17 distributing the Court-approved Notice of Class Action Settlement ("Class Notice") to all Class
18 Members; (b) administering the settlement; (c) processing exclusions, objections, and field
19 inquiries from Class Members; (d) resolving disputes; (e) calculating the Individual Payment
20 Amount each Participating Class Members is eligible to receive; (f) distributing the Gross
21 Settlement Amount as directed by the Court and set forth herein; (g) tax reporting; (h) providing
22 necessary weekly status reports; and (i) other duties and responsibilities set forth herein.

23 (i) **No Warranty by Defendant:** Plaintiff understands and agrees that
24 Defendant is not providing Plaintiff or Class Members with tax or legal advice and that Defendant
25 makes no representations regarding tax obligations or consequences, if any, related to this
26 Settlement Agreement.

27 **D. Release of Claims.**

28 1. Upon the Effective Date, and subject to Defendant' full payment of the Gross

1 Settlement Amount and all associated employer payroll tax obligations, Plaintiff and all Settlement
2 Class Members who do not timely opt-out of the Settlement will be deemed to have fully released
3 and discharged Defendant Ritz FMS, Inc., as well as Defendant' present and former owners,
4 officers, shareholders, directors, agents, employees, attorneys, and insurers including Katarina
5 Gallagher, ("Released Parties") from any and all Released Class Claims which arose during their
6 employment in a non-exempt position in California during the Class Period.

7 2. Upon the Effective Date, and subject to Defendant' full payment of the Gross
8 Settlement Amount and all associated employer payroll tax obligations, Plaintiff and all Aggrieved
9 Employees will be deemed to have fully released and discharged the Released Parties from any and
10 all Released PAGA Claims which arose during their employment in a non-exempt position in
11 California during the PAGA Period.

12 3. Plaintiffs' Waiver of Rights Under California Civil Code § 1542. For purposes of
13 Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits,
14 if any, of Section 1542 of the California Civil Code, which reads:

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

19 4. "Released Class Claims" means any and all claims contained in the Complaint
20 during employment in a non-exempt position in California during the Class Period (which includes
21 direct class action claims under Labor Code §§ 201, 202, 203, 226(a), 226.7, 512, and 2802. No
22 PAGA claims are encompassed in the Released Class Claims.

23 5. "Released PAGA Claims" means any and all claims for civil penalties that were
24 brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in
25 Plaintiff's Complaint during employment in a non-exempt position in California during the PAGA
26 Period, including Labor Code §§ 201, 202, 204, 210, 226(a), 226.3, 226.7, 512, 558, and 2802. No
27 Aggrieved Employee may opt out of the PAGA portion of the Settlement.

1 **E. Notice and Exclusion Process.**

2 1. Within ten (10) calendar days after entry of the order granting preliminary approval
3 of this Settlement, Defendant shall provide to the Settlement Administrator a list of all Class
4 Members, including their last known addresses, telephone numbers, social security numbers, and
5 their dates of employment in a non-exempt position in California during the Class Period and the
6 PAGA Period (“Settlement Class Information”). The names, addresses, telephone numbers, and
7 Social Security numbers will only be disclosed to the Settlement Administrator and not to Plaintiff
8 Counsel. All information provided to the Settlement Administrator will be marked
9 CONFIDENTIAL. This information shall be kept confidential and shall not be disclosed, either in
10 writing or orally, by the Settlement Administrator. The Settlement Administrator shall use due care
11 with respect to the storage, custody, use, and/or dissemination of the confidential information. Such
12 information must be stored in a secure fashion and all persons who access the data must agree to
13 keep it confidential.

14 2. A notice of pendency of class action, proposed settlement, and hearing date for
15 Court approval (“Class Notice”) in the form attached hereto as **Exhibit A**, and as approved by the
16 Court, shall be sent by the Settlement Administrator to the Class Members and Aggrieved
17 Employees, by first class mail, within twenty (20) calendar days after entry of the order granting
18 preliminary approval. Attached to the Class Notice will be a request for exclusion form (“Request
19 for Exclusion Form”) in the form attached hereto as **Exhibit B**.

20 3. The Settlement Administrator will make reasonable efforts to ensure that the Class
21 Notice and Request for Exclusion Form are sent to all Class Members and Aggrieved Employees.
22 It will conclusively be presumed that if an envelope has not been returned within thirty (30) days
23 of the mailing that the Class Member or Aggrieved Employee received the Class Notice. In the
24 event of returned or non-deliverable notices, the Settlement Administrator will make reasonable
25 efforts to locate Class Members and Aggrieved Employees and re-send the notices.

26 4. Each Class Member will be fully advised of the settlement, the ability to object to
27 the settlement, and the ability to submit a Request for Exclusion Form. The Class Notice will inform
28 the Class Members of the Court-established deadlines for filing objections and a Request for

1 Exclusion Form. Aggrieved Employees may neither object to, nor exclude themselves from, the
2 PAGA portion of the settlement.

3 5. Each Class Notice will contain personalized information setting forth the number of
4 weeks each Class Member and Aggrieved Employee worked for Defendant in California in a non-
5 exempt position during the Class Period and their estimated Individual Payment Amount. To the
6 extent a Class Member or Aggrieved Employee disputes any of the information listed on his or her
7 Class Notice, he or she may produce evidence to the Settlement Administrator showing such
8 information the individual contends should be reflected in the Class Notice. Defendant's records
9 will be presumed determinative, however, and the Settlement Administrator's decision on these
10 matters will be final. The Class Notice will also set forth IRS W-9 information if required.

11 6. All Class Members who do not submit a Request for Exclusion Form will be eligible
12 to receive an Individual Payment Amount and all Aggrieved Employees will be eligible to receive
13 a share of the PAGA allocation from the Net Settlement Proceeds, which shall be mailed to them
14 if the Effective Date occurs.

15 7. In order to elect not to participate in the Settlement, a Class Member must submit a
16 Request for Exclusion Form, and mail it to the Settlement Administrator no later than forty-five
17 (45) calendar days after the initial mailing of the Class Notice and Request for Exclusion Form to
18 Class Members, unless the Court requires a longer period, in which case the Court ordered
19 exclusion period will apply. The date of the postmark shall be deemed the date of submission. The
20 timeliness of submitted Request for Exclusion Forms will be determined by valid postmark. If the
21 45th day falls on a Sunday or federal holiday, the time to request exclusion will be extended to the
22 next day on which the U.S. Postal Service is open.

23 8. The deadline for submission of Exclusion Forms shall be extended once by 30 days
24 for those Class Members whose Class Notice and Exclusion Form are returned as "undeliverable."
25 If the 30th day falls on a Sunday or federal holiday, this deadline will be extended to the next day
26 on which the U.S. Postal Service is open.

27 9. The Settlement Administrator will search for additional addresses on returned mail
28 and will re-mail the Class Notice and Exclusion Form to an updated address (if any) within 15 days

1 of receipt of the returned mail. The 30-day extended time limit will run from the date of the second
2 mailing for those Class Members. To the extent a Class Notice from the initial mailing is not
3 returned within 30 days, it shall be deemed to have been sent to a valid address even if it is thereafter
4 returned. It is the intent of the Parties that reasonable, but not extraordinary, efforts be used to locate
5 Class Members. If the initial Class Notice and Request for Exclusion Form is returned, the
6 Settlement Administrator will search using the social security number for a more current address.
7 If no address is found within 10 days, no further action is required.

8 10. The Settlement Administrator will notify the Parties of the total number of valid
9 Request for Exclusion Forms within ten (10) calendar days after the deadline for receipt of the
10 Request for Exclusion Forms (fifty-five (55) days following the initial mailing of the Class Notice
11 and Request for Exclusion Forms to Class Members and Aggrieved Employees).

12 11. In order to object to the settlement, a Class Member must mail his or her objection
13 to the Settlement Administrator no later than forty-five (45) calendar days after the mailing of the
14 Class Notice and Request for Exclusion Form to Class Members, unless the Court requires a longer
15 period, in which case the Court ordered objection period will apply. If the 45th day falls on a Sunday
16 or federal holiday, the time to object to the settlement will be extended to the next day on which
17 the U.S. Postal Service is open. Under no circumstances shall the objection deadline be extended
18 for any reason.

19 12. The Settlement Administrator shall provide to the Parties, at least twelve (12)
20 calendar days prior to the final approval hearing, or as otherwise ordered by the Court, a declaration
21 of due diligence and proof of mailing with regard to the mailing of the Class Notice and Request
22 for Exclusion Forms. The Settlement Administrator will also provide to the Parties, at least twelve
23 (12) calendar days prior to the final approval hearing, or as otherwise ordered by the Court, a report
24 listing the amount of all payments to be made to each Class Member without names or personal
25 identifying information.

26 13. Defendant shall deposit the Maximum Settlement Amount, plus applicable
27 employer payroll taxes, with the Settlement Administrator within fifteen (15) days after the
28 Effective Date.

14. The Settlement Administrator shall disburse the Gross Settlement Amount within fifteen (15) calendar days after its receipt of the settlement funds. Class Members and Aggrieved Employees must cash each of their Individual Payment Amount checks within one hundred eighty (180) calendar days after they are mailed by the Settlement Administrator. The value of any checks uncashed more than one hundred eighty (180) days after mailing shall be paid to the State of California Controller's Office – Unclaimed Property Fund, to be held in the name of the respective Class Member or Aggrieved Employee.

F. Duties of the Parties Prior to Court Approval.

1. Promptly after execution of this Settlement Agreement, Plaintiff shall move the Court for preliminary approval of this settlement and entry of an order accomplishing the following:

- (a) scheduling a fairness hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable and adequate as to the Class Members and Aggrieved Employees;
- (b) approving as to form and content the proposed Class Notice;
- (c) approving as to form and content the proposed Request for Exclusion Form;
- (d) preliminarily certifying the Settlement Class for purposes of approving the Settlement Agreement;
- (e) preliminarily approving the PAGA payment of \$30,000 to the LWDA;
- (f) preliminarily setting attorney's fees and costs payable to Class Counsel; and
- (g) preliminarily approving Phoenix Class Action Administration Solutions as the Settlement Administrator and its estimated fees and costs of \$10,000.

2. The Parties shall submit this Settlement Agreement to the Court and the LWDA in support of Plaintiff's unopposed motion for preliminary approval of the settlement.

G. Duties of the Parties in Connection with and Following Final Court Approval.

1. In connection with the hearing on final approval of the settlement, the Parties will submit a proposed final order no later than ten (10) calendar days prior to the scheduled date of

the hearing on final approval (unless otherwise ordered by the Court):

(a) approving the settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;

(b) approving Class Counsel's application for an award of attorney's fees and reimbursement of documented litigation costs and expenses, the PAGA Payment to the LWDA, and the costs of administering the settlement; and

(c) Entering judgment in the Action in accordance with this Settlement Agreement, pursuant to Cal. Rules of Court, Rule 3.769(h).

2. Class Counsel shall file an application for attorney's fees and reimbursement of costs and expenses no later than ten (10) calendar days prior to the scheduled date of the hearing on final approval (unless otherwise ordered by the Court).

H. Miscellaneous Provisions:

1. Separate Release and Individual Settlement by Plaintiff.

In addition to this Agreement, Plaintiff has entered into separate Confidential Settlement Agreement And General Release Of All Claims ("Individual Settlement Agreement") with Defendant for all of her separate individual (non-PAGA) claims arising out of her employment with Defendant, in exchange for a full release of those claims. The Parties acknowledge and agree that the Individual Settlement Agreement and the covenants, promises and released claims contained therein shall not serve to modify or limit Plaintiff's right to continue with this Action and seek the Court's approval of this Settlement. The Parties further agree that if for any reason the Effective Date does not occur with regard to this Settlement and/or the Final Order is not entered, then the Individual Settlement Agreement shall also be null and void.

2. Voiding the Agreement.

A failure of the Court to approve any material condition of this Settlement Agreement which effects "a fundamental change of the Parties' settlement," or if the settlement is reversed or materially modified on appellate review, shall render the entire Settlement Agreement voidable and unenforceable as to all Parties herein at the option of any Party.

3. Parties' Authority.

1 The signatories hereto represent that they are fully authorized to enter into this Settlement
2 Agreement and bind the Parties hereto to the terms and conditions hereof.

3 4. **Mutual Full Cooperation.**

4 The Parties agree to fully cooperate with each other to accomplish the terms of this
5 Settlement Agreement, including but not limited to, execution of such documents and such other
6 action as may reasonably be necessary to implement the terms of this Settlement Agreement. The
7 Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated
8 by this Settlement Agreement and any other efforts that may become necessary by order of the
9 Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As
10 soon as practicable after execution of this Settlement Agreement, Class Counsel shall, with the
11 assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the
12 Court's preliminary and final approval of the settlement.

13 5. **No Prior Assignments.**

14 The Parties hereto represent, covenant, and warrant that they have not directly or indirectly,
15 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
16 entity any portion of any liability, claim, demand, action, cause of action or rights released and
17 discharged by this Settlement Agreement.

18 6. **No Admission.**

19 Nothing contained herein, nor the consummation of this Settlement Agreement, is to be
20 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
21 of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this
22 Settlement Agreement with the intention of avoiding further disputes and litigation with the
23 attendant inconvenience and expenses. This Settlement Agreement is a settlement document and
24 shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408
25 and/or any other similar law, be inadmissible in evidence in any proceeding, except an action or
26 proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

27 7. **Construction.**

28 The Parties hereto agree that the terms and conditions of this Settlement Agreement are the

1 result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement
2 Agreement shall not be construed in favor of or against any Party by reason of the extent to which
3 any Party or her or its counsel participated in the drafting of this Settlement Agreement.

4 **8. Captions and Interpretations.**

5 Paragraph titles or captions contained herein are inserted as a matter of convenience and for
6 reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement
7 or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a
8 recital.

9 **9. Modification.**

10 This Settlement Agreement may not be changed, altered, or modified, except in writing and
11 signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be
12 discharged except by performance in accordance with its terms or by a writing signed by each of
13 the Parties hereto on their attorneys.

14 **10. Integration Clause.**

15 This Settlement Agreement contains the entire agreement between the Parties relating to
16 the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements,
17 understandings, representations, and statements, whether oral or written and whether by a Party or
18 such Party's legal counsel, are merged herein. No rights hereunder may be waived except in
19 writing.

20 **11. Binding on Assigns.**

21 This Settlement Agreement shall be binding upon and inure to the benefit of the Parties
22 hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

23 **12. Governing Law.**

24 All terms of this Settlement Agreement and its exhibits shall be governed by and interpreted
25 according to the laws of the State of California, without giving effect to any conflict of law
26 principles or choice of law principles.

27 **13. Signatures of All Class Members Unnecessary to be Binding.**

28 It is agreed that, because the members of the Settlement Class are numerous, it is impossible

1 or impractical to have each Class Member execute this Settlement Agreement. The Class Notice,
2 attached hereto as Exhibit A, will advise all Class Members of the binding nature of the release
3 provided herein and such shall have the same force and effect as if this Settlement Agreement was
4 executed by each Class Member.

5 **14. Counterparts.**

6 This Settlement Agreement may be executed in counterparts, and when each Party has
7 signed and delivered at least one such counterpart, each counterpart shall be deemed an original,
8 and when taken together with other signed counterparts, shall constitute one fully-signed Settlement
9 Agreement, which shall be binding upon and effective as to all Parties.

10 **15. Confidentiality**

11 Until Plaintiff files her motion for preliminary approval of the class action settlement of the
12 Action, the Parties and their Counsel agree to maintain confidentiality as to the Settlement,
13 including the amount and terms of the Settlement, except as to spouses, children, parents, tax or
14 financial advisors, attorneys, taxing agencies, or as otherwise required by law.

15 **16. No Publicity**

16 Plaintiff and her Counsel will not contact the media about the Settlement Agreement or
17 respond to any inquiries by the media regarding the Settlement, other than to state that the matter
18 was amicably settled, and the Court did not find Defendant liable. Plaintiff and her Counsel also
19 will not post any information about the Settlement Agreement on social media or their firms'
20 websites.

21 **17. Representation Regarding Class Size; Escalator Provision**

22 Defendant have represented that 332 Class Members worked no more than 12,802
23 workweeks during the Class Period. This was based on a good faith analysis of the available data
24 and sound methodological assumptions using that data. If the actual number of workweeks worked
25 during the Class Period is ten percent (10%) more than the above numbers, the Gross Settlement
26 Amount shall increase on a pro-rata basis equal to the increase in the number of workweeks above
27 10% (e.g., if the number of workweeks or class members increases by 25%, Defendant will
28 increase the Gross Settlement Amount by 15%).

18. **Continuing Jurisdiction.**

The Parties agree that upon the occurrence of the entry of judgment in this case pursuant to the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure Section 664.6 and all other applicable law, and the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties and Class Members to interpret and enforce the terms, conditions and obligation of the Agreement.

Dated: 07 / 28 / 2026

By: Connie Esparza

CONNIE ESPARZA
Plaintiff and Class Representative

Dated:

RITZ FMS, INC.

By: _____

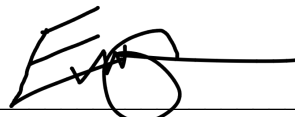
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APPROVED AS TO FORM AND CONTENT:

Dated: July 28, 2026

GAINES LAW CORPORATION

By: 

Evan S. Gaines, Esq.
Counsel for Plaintiff and Class
Representative Connie Esparza

Dated:

LAW OFFICES OF DOO & CHONG

By: _____

Robert Chong
Counsel for Defendant RITZ FMS, INC.

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EXHIBIT A

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF IMPERIAL**

CONNIE ESPARZA, on behalf of herself and
all “aggrieved employees” pursuant to Labor
Code § 2698 *et seq.*,

Plaintiff,

v.

RITZ FMS, INC., a California corporation, and
DOES 1 through 10, inclusive,

Defendant.

CASE NO: ECU004828

Assigned to Hon. L. Brooks Anderholt, Dept. 9

**NOTICE OF PENDENCY OF PROPOSED
CLASS ACTION SETTLEMENT AND
FINAL HEARING**

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT
PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.**

A California court authorized this notice. This is not a solicitation from a lawyer.

- YOU ARE NOTIFIED THAT: A proposed class action settlement has been reached between Plaintiff Connie Esparza (“Plaintiff”) and Defendant Ritz FMS, Inc. (“Defendant”) (Plaintiff and Defendant are collectively referred to as the “Parties”), in the case entitled *Esparza v. Ritz FMS, Inc.*, Imperial County Superior Court, Case No. ECU004828, which may affect your legal rights. On [Preliminary Approval Date], the Court granted preliminary approval of the settlement and scheduled a hearing on [REDACTED] at [REDACTED] (“Final Approval Hearing”) to determine whether or not the Court should grant final approval of the Settlement.
- The settlement resolves a wage and hour class action and Private Attorneys General Act of 2004 (“PAGA”) lawsuit against Defendant, alleging that Defendant failed to pay all wages due, provide meal periods or compensation in lieu thereof, provide rest periods or compensation in lieu thereof, comply with itemized employee wage statement provisions, and timely pay wages due at the separation of employment. The settlement also alleges violation of the Business and Professions Code and seeks to recover penalties pursuant to PAGA. The Settlement avoids costs and risks of continuing the lawsuit; pays money to employees; and releases Defendant from liability from the claims asserted in this lawsuit.
- Defendant denies liability and believe all appropriate wages were paid and that they otherwise complied with any Labor Code obligations. The Parties disagree on how much money could have been awarded if employees won at trial.
- The Court has not made a ruling on the merits of the case or decided in favor of the Plaintiff or Defendant. Instead, both sides agreed to a settlement, which is memorialized in the Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement Agreement”).
- The settlement will provide \$330,000 to resolve the claims to all individuals who worked for Defendant as non-exempt employees in California at any time from April 6, 2022 and June 25, 2026. The Lawyers for the employees will ask the Court to award them up to \$115,500 as attorneys’ fees and \$10,000 as expenses from the total settlement amount for investigating the

facts, litigating the case, and negotiating the settlement. This will be paid from the settlement amount.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing	You do not need to take any action if you wish to receive your settlement payment. If the settlement is approved by the Court, you will automatically be mailed a settlement check at the address on file with the Settlement Administrator. If your address has changed, you must notify the Settlement Administrator of your new address. In exchange for the settlement payment, you will release claims against the Defendant, as detailed below.
Exclude Yourself	To exclude yourself, you must send a written Request for Exclusion to the Settlement Administrator by the applicable deadline, as detailed below. If you request exclusion, you may receive no money from the Settlement, although you still qualify to be paid a share of the PAGA Settlement. This is the only option that allows you to ever be part of any other lawsuit against Ritz FMS, Inc. about the legal claims that were brought in this case.
Objecting	Write to the Settlement Administrator about why you don't like the settlement by the applicable deadline, as detailed below, and/or appear at the Final Approval Hearing to make an oral objection.
Go to a Hearing	Ask to speak in Court about the fairness of the settlement, as detailed below.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a class action lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the Class on whose behalf this class action lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

On July 8, 2026, Plaintiff Connie Esparza ("Plaintiff"), a former employee of Defendant Ritz FMS, Inc., filed this lawsuit in the Imperial County Superior Court. The lawsuit alleges violations of the California Labor Code. The lawsuit seeks to certify a class of all current and former non-exempt California employees of Defendant at any time between April 6, 2022 and June 25, 2026 ("Class Period"). Specifically, the lawsuit alleges that members of the Class were not timely paid all wages due during employment, provided meal periods or compensation in lieu thereof, provided rest periods or compensation in lieu thereof, reimbursed all business expenses incurred, timely issued final wages upon separation of employment and nor issued accurate and complete itemized wage statements. The Settlement seeks recovery of unpaid wages, statutory and civil penalties, restitution, attorneys' fees and costs. Defendant denies all of the allegations in the lawsuit. Defendant denies that it owes Class Members any remedies and believes that it paid Class Members fairly. The Court has not made a ruling on the merits of the case.

The lawyers for the parties are:

Plaintiff's Attorney

Evan S. Gaines, Esq.
Gaines Law Corporation
4550 E Thousand Oaks Blvd., Suite 100
Westlake Village, CA 91362
Phone (805) 892-8200

Defendant's Attorney

Robert Chong
Law Offices Of Doo & Chong
2596 Mission Street, Ste. 302
San Marino, CA 91108

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendant. Plaintiff believes she would have prevailed on her claims at a trial. Defendant does not believe that Plaintiff would have won anything from a trial. There has been no trial. Instead, both sides agreed to a settlement, which is memorialized in the Settlement Agreement and Release of Claims ("Settlement" or "Settlement Agreement"), in order to avoid the further costs, risks, and uncertainty of a trial. Plaintiff and Plaintiff's Attorneys believe the settlement is fair, reasonable, adequate, and in the best interests of all Class Members.

B. Who is in the Settlement Class? Who is an Aggrieved Employee

The Settlement encompasses a class composed of all non-exempt, hourly employees who have, or continue to, work for Defendant in California from April 6, 2022 and June 25, 2026. Aggrieved Employees are those Class Members employed between January 30, 2025 and June 25, 2026.

C. What does the Settlement provide?

1. Maximum Settlement Amount.

The Settlement provides that Defendant will pay \$330,000 (the "Maximum Settlement Amount") to settle the lawsuit.

2. Net Settlement Proceeds.

The "Net Settlement Proceeds" is the portion of the Maximum Settlement Amount that will be available for distribution to Aggrieved Employees and Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Proceeds amount is the Maximum Settlement Amount less the following amounts that will be requested at the Final Approval Hearing and are subject to comment or objection by Participating Class Members. The Court will fix these amounts at the Final Approval Hearing.

(a) **Class Counsel's Attorneys' Fees** in an amount set by the Court, not to exceed \$115,500;

(b) **Class Counsel's Documented Litigation Costs/Expenses** in an amount set by the Court, not to exceed \$10,000;

(c) **Settlement Administration Costs** which are currently estimated to not exceed \$10,000, for administering the settlement; and

(d) **PAGA Payment** in the total amount of \$30,000 for the settlement of claims arising under the California Private Attorneys General Act (“PAGA”). 65% or \$19,500, shall be paid to the California Labor and Workforce Development Agency (“LWDA”). The remaining 35% or \$10,500 shall be included in the Net Settlement Proceeds for payment to Aggrieved Employees.

3. Individual Payment Amount.

Your share of the Net Settlement Proceeds will be determined by the formula detailed in section E below.

D. What Are You Giving Up To Get A Payment Or Stay In The Class?

Upon the Effective Date, and subject to Defendant’s full payment of the Maximum Settlement Amount, Plaintiff and all Class Members who do not opt out of the settlement will release any and all claims contained in the Complaint during employment in a non-exempt position in California during the Class Period. Aggrieved Employees will release any and all claims for civil penalties that were brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in Plaintiff’s Complaint during employment in a non-exempt position in California during the PAGA Period. The “Released Parties” shall include Defendant, as well as Defendant’s present and former owners, officers, shareholders, directors, agents, employees, attorneys, and insurers.

E. How Is My Share Of The Settlement Calculated?

Each participating Class Member (those who do not opt out of the Settlement) shall receive an “Individual Payment Amount,” which is distributable to each Class Member who participates in the Settlement (i.e., who does not submit a valid request for exclusion form) and each Aggrieved Employee even if they opt out of the class settlement.

The class portion of the Individual Payment Amounts will be determined by dividing the Net Settlement Proceeds, less the \$10,500 PAGA allocation, by the total number of weeks worked by the entire Settlement Class during the Class Period, net of opt outs, resulting in the class workweek value; and then multiplying the class workweek value by the number of weeks worked by each participating Class Member during the Class Period. As to the Aggrieved Employees, the PAGA portion of the Individual Payment Amounts will be determined by dividing the PAGA settlement amount (\$10,500) by the total number of weeks worked by all Aggrieved Employees during the PAGA Period, resulting in the PAGA workweek value; and then multiplying the PAGA workweek value by the number of weeks worked by each Aggrieved Employee during the PAGA Period.

For tax purposes, each Individual Payment Amount will be apportioned (a) 10% as wages (reported on an IRS Form W-2 and subject to applicable withholdings); (b) 90% as penalties and interest (reported on an IRS Form 1099). The PAGA portion of each Individual Payment Amount will be apportioned 100% as penalties (reported on an IRS Form 1099, if required). All Individual Payment Amounts paid to Class Members will be subject to any applicable wage garnishments, liens, or other legally mandated treatment as required by law.

According to the records of Defendant, you worked [REDACTED] weeks while employed as a non-exempt employee in California from April 6, 2022 and June 25, 2026. Based on these weeks worked, you are entitled to an Individual Payment Amount of approximately \$[REDACTED], and you worked [REDACTED] weeks while employed as a non-exempt employee in California from January 30, 2025 and June 25, 2026. Based on these weeks worked, you are entitled to an PAGA payment share of approximately \$[REDACTED]. This amount is subject to change based on the final ruling of the Court.

Please be advised that the individual data above is presumed to be correct unless you submit documentation proving otherwise. If you disagree with the data, please submit an explanation and evidence in support of your position to the Settlement Administrator no later than [REDACTED], 2026. In the event of a dispute, the Settlement Administrator will resolve the challenge with input from the Defendant and will make a final and binding determination without a hearing or right of appeal by you.

F. When Will I Be Paid?

After the Courts grants approval of the settlement, you will receive your Individual Payment Amount within 30 days of the date the Court signed the order.

THE SETTLEMENT HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the “Final Settlement Hearing”) on [REDACTED], at 8:30 a.m., in the Courtroom of Judge L. Brooks Anderholt of the Imperial County Superior Court, Department 9, located at El Centro Courthouse 939 West Main Street, El Centro, CA 92243. The Court will determine: (i) whether the lawsuit should finally be certified as a class action for settlement purposes; (ii) whether the settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members; (iii) whether the Settlement Class Members should be bound by the terms of the settlement; (iv) the amount of the attorney’s fees and costs to be awarded to Plaintiff’s Attorney; and (v) the amount that should be awarded to Plaintiff as an enhancement payment. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

WHAT ARE YOUR OPTIONS?

• **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move, you must update your address with the Settlement Administrator. If you disagree with pre-printed data indicated in section E above, you must submit an explanation and/or documentation to the Settlement Administrator to justify your position, postmarked no later than [REDACTED]. The Settlement Administrator’s address is [Settlement Administrator address].

• **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Settlement Hearing, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator at [Settlement Administrator address]. Written objections must be postmarked no later than [REDACTED].

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself (“opt out”) from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement, although you will be bound by the PAGA Settlement. You will not be bound by a class judgment in this case and you will have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. You can opt out of the Class by completely filling out and mailing the enclosed Request for Exclusion Form to the Settlement Administrator at the above-stated address, such that it is postmarked no later than [REDACTED].

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed “Settlement Agreement and Release of Claims” which is on file with the Clerk of the Court. The pleadings and other records in the Lawsuit may be examined at any time during regular business hours at the Office of the Clerk of the Imperial County Superior Court, located at El Centro Courthouse 939 West Main Street, El Centro, CA 92243.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at [address], [telephone number].

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.

**BY ORDER OF THE SUPERIOR COURT OF
THE STATE OF CALIFORNIA**

EXHIBIT B

REQUEST FOR EXCLUSION

ONLY COMPLETE THIS REQUEST FOR EXCLUSION FORM IF YOU WANT TO OPT OUT OF (NOT PARTICIPATE IN) THE SETTLEMENT OF THE ACTION KNOWN AS *Connie Esparza v. Ritz FMS, Inc., et al.*, Imperial County Superior Court Case. No. [REDACTED]. **IF YOU OPT OUT OF THE SETTLEMENT, YOU WILL NOT RECEIVE ANY PORTION OF THE CLASS SETTLEMENT AMOUNT. AGGRIEVED EMPLOYEES MAY NEITHER OBJECT TO, NOR EXCLUDE THEMSELVES FROM, THE PAGA PORTION OF THE SETTLEMENT.**

I confirm that I was employed by Defendant Ritz FMS Inc., as a non-exempt (hourly paid) employee in California between April 6, 2022 and June 25, 2026.

I do not wish to receive any payment under the terms of the proposed class action settlement or to otherwise participate in the proposed settlement.

Date: _____

Signature: _____

Print Name: _____

Residence Street Address: _____

City, State and Zip Code: _____

IN ORDER TO BE VALID, THIS REQUEST FOR EXCLUSION FORM MUST BE COMPLETED, SIGNED, MAILED BY FIRST CLASS MAIL, AND POSTMARKED ON OR BEFORE **[45 days after mailing of Notice]**. Send this signed request for exclusion form to the Settlement Administrator:

Ritz FMS, Inc. Settlement Administrator

c/o [REDACTED]
[REDACTED]
[REDACTED]

EXHIBIT C