

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this Action Settlement Agreement is made by and between Plaintiffs Fredrick Evans and Brendon Simpson (“Plaintiffs”), individually and as a representative of the Class, as defined below, on the one hand, and Defendants Transcontinental Ontario Inc., TC Transcontinental Packaging Inc., and TC Transcontinental U.S.A. Inc. (“Defendants”), on the other hand. Plaintiffs and Defendants collectively are referred to in this Agreement as the “Parties.” This Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the “Released Class Claims” and “Released PAGA Claims” (as defined below) on a class and representative action basis pertaining to the “Released Parties” (as defined below) upon and subject to the terms and conditions contained herein. This Agreement, which is contingent upon final Court approval, contains the essential terms of the Parties’ agreement. The Class Representatives and Class Counsel believe, and the Parties have agreed, that the settlement set forth in this Agreement confers substantial benefits upon the Class Members.

As detailed below, if the Court does not enter an order granting final approval of the Settlement, or the conditions precedent are not met for any reason, this Action Settlement Agreement is void and of no force or effect whatsoever.

I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

- A. **Action**: The Complaint that was filed on July 31, 2023 in the Superior Court of California, County of San Bernardino, which is captioned *Evans, et al. v. Transcontinental Ontario Inc, et al.*, Case No. CIVSB2317702 (Consolidated with Case No. CIVSB2331552 that was filed on December 4, 2023).
- B. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement shall not exceed \$15,000 and shall be paid from the Gross Settlement Amount in the Qualified Settlement Fund.
- C. **Aggrieved Employee**: All current and former hourly-paid or non-exempt employees employed by Defendants within the state of California at any time between September 30, 2022 and May 15, 2024 or the date of preliminary approval, whichever date is earlier.
- D. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement,” including its exhibits.

- E. Attorney Fee Award:** The amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount or \$297,500, subject to Court approval, to be paid to Class Counsel for attorneys' fees to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action. The Attorney Fee Award shall be paid from the Gross Settlement Amount in the Qualified Settlement Fund and will not be opposed by Defendants.
- F. Class:** All current and former hourly-paid or non-exempt employees employed by Defendants within the state of California at any time between July 31, 2019 and May 15, 2024 or the date of preliminary approval, whichever date is earlier.
- G. Class Counsel:** Douglas Han, Shunt Tatavos-Gharajeh, and Talia Lux of Justice Law Corporation.
- H. Class Data:** The information regarding Class Members that Defendants will compile from its available, existing, electronic records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include each Class Member's: (i) full name; (ii) last-known address; (iii) Social Security Number; and (iv) relevant dates of employment; provided, however, that the confidentiality of the Class Data shall be maintained by the Settlement Administrator in a manner reasonably calculated to protect the privacy interest of each Class Member.
- I. Class Member:** Each person eligible to participate in this Settlement who is a member of the Class as defined above.
- J. Class Notice:** The Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, substantially similar to the form attached hereto as **Exhibit A** that will be mailed in English and Spanish, incorporated by reference into this Agreement and subject to Court approval.
- K. Class Period:** The time period from July 31, 2019 to May 15, 2024 or the date of preliminary approval, whichever date is earlier.
- L. Class Representatives or Plaintiffs:** Fredrick Evans and Brendon Simpson.
- M. Class Representative Enhancement Payments:** The additional monetary payment awarded by the Court to Plaintiffs in an amount not to exceed \$10,000 to each Plaintiff (totaling \$20,000) to compensate them for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendants' expenses if Plaintiffs were unsuccessful in the prosecution of the Action, and for the general release of all claims by Plaintiffs. This Class Representative Enhancement Payments shall be paid from the Gross Settlement

Amount in the Qualified Settlement Fund and will not be opposed by Defendants. This Class Representative Enhancement Payments are subject to approval of the Court.

- N. **Complaint:** The Complaint that was filed on July 31, 2023 in the Superior Court of California, County of San Bernardino, which is captioned *Evans, et al. v. Transcontinental Ontario Inc, et al.*, Case No. CIVSB2317702 (Consolidated with Case No. CIVSB2331552 that was filed on December 4, 2023).
- O. **Cost Award:** The amount subject to Court approval, to be paid to Class Counsel for expenses to compensate Class Counsel for related litigation expenses billed in connection with the Action, subject to proof and not to exceed \$20,000. The Cost Award will be paid from the Gross Settlement Amount in the Qualified Settlement Fund and will not be opposed by Defendants.
- P. **Counsel for Defendants:** Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
- Q. **Court:** The Superior Court of California, County of San Bernardino.
- R. **Defendants:** Transcontinental Ontario Inc., TC Transcontinental Packaging Inc., and TC Transcontinental U.S.A. Inc.
- S. **Effective Final Settlement Date:** If no objection to the settlement is made, the Effective Final Settlement Date is no later than twenty-one (21) calendar days after entry of the order granting final approval. If an objection is made but no appeal filed, the Effective Final Settlement Date will be no later than twenty-one (21) calendar days after the running of the appeal period. If an appeal is filed, the Effective Final Settlement Date will be no later than twenty-one (21) calendar days after the final judgment becomes final and is no longer subject to appeal. Defendants will have no obligation to pay the GSA unless and until the Court enters a final order approving the settlement, no objections or appeals are pending, and the appeal period is over.
- T. **Exclusion Form:** The Election Not To Participate In Class Action Settlement (“Opt Out Form”), substantially similar to the form attached hereto as **Exhibit B** that will be mailed in English and Spanish, subject to Court approval.
- U. **Final Approval:** The final order entered by the Court after the Final Approval Hearing, certifying the Class, approving the terms and conditions of this Agreement, authorizing distribution of the Attorney Fee Award, Cost Award, Class Representative Enhancement Payments, Administration Costs, PAGA Payment, and Individual Settlement Shares.

- V. Gross Settlement Amount or GSA:** The agreed upon common fund settlement amount totaling \$850,000, excluding employer payroll taxes, to be paid by Defendants in full settlement of the Released Class Claims and Released PAGA Claims (collectively, known as “Released Claims”) asserted in this Action. This Gross Settlement Amount is an all-in amount without any reversion to Defendants and shall be inclusive of all payments of the: (1) Net Settlement Amount to be paid to Participating Class Members; (2) Attorney Fee Award and Cost Award to Class Counsel for attorneys’ fees and costs, as approved by the Court; (3) Class Representative Enhancement Payments to Plaintiffs, as approved by the Court; (4) Administration Costs to the Settlement Administrator, as approved by the Court; (5) PAGA Payment to the LWDA and Aggrieved Employees, as approved by the Court; and (6) any and all employee-side taxes, as approved by the Court. There will be no reversion to Defendants and no claims process for Class Members to receive payment.
- W. Individual Settlement Share(s):** The amount payable to each Participating Class Member under the terms of this Agreement shall come from the Net Settlement Amount only and shall include employee-side taxes withheld by the Settlement Administrator as required by law. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement.
- X. LWDA:** The California Labor and Workforce Development Agency.
- Y. Net Settlement Amount or NSA:** The Gross Settlement Amount less the Attorney Fee Award, Cost Award, Class Representative Enhancement Payments, Administration Costs, and PAGA Payment.
- Z. Notice Packet:** The Class Notice and Exclusion Form.
- AA. Opt-Outs:** A Class Member who submits a valid and timely Exclusion Form.
- BB. PAGA:** The Private Attorneys General Act of 2004 (Labor Code section 2698, *et seq.*).
- CC. PAGA Notice:** Plaintiffs’ letter sent to the LWDA and Defendants on July 28, 2023 providing notice pursuant to Labor Code section 2699.3, subd. (a).
- DD. PAGA Payment:** The payment of \$50,000, the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, seventy-five percent (75%) of which (\$37,500) will be paid to the LWDA and twenty-five percent (25%) of which (\$12,500) will be paid to the Aggrieved Employees.
- EE. PAGA Period:** The time period from September 30, 2022 through May 15, 2024 or the date of preliminary approval, whichever date is earlier.

- FF. Participating Class Members:** All Class Members who do not submit valid and timely requests to exclude themselves from the class portion of the Settlement.
- GG. Parties:** Plaintiffs on behalf of themselves and the Class Members, on the one hand, and Defendants.
- HH. Preliminary Approval or Preliminary Approval Order:** The Court's order (1) preliminarily certifying the Class solely for the purpose of effectuating the Agreement; (2) preliminarily approving the terms and conditions of this Agreement; (3) appointing Class Counsel as defined above; (4) directing the manner and timing of providing Notice Packet to the Class Members; and (5) setting dates to effectuate the terms of this Agreement, including the date of the Final Approval Hearing, and incorporated by reference into this Agreement.
- II. Qualified Settlement Fund or QSF:** A fund within the meaning of Treasury Regulation section 1.46B-1, 26 C.F.R. section 1.468B-1, *et seq.*, that is established by the Settlement Administrator, pursuant to the terms and conditions of this Agreement, for maintenance and distribution of the Gross Settlement Amount for the benefit of Participating Class Members, Plaintiffs, and Class Counsel.
- JJ. Released Class Claims:** The Released Class Claims mean all claims alleged or that reasonably could have been alleged based on the factual allegations and legal assertions made in the Complaint and PAGA Notice that arose during the Class Period, including: (1) failure to pay overtime wages (including failure to properly calculate the regular rate of pay to those who worked overtime and earned incentive pay); (2) meal period violations (including failure to pay meal period premiums at the regular rate of pay); (3) rest period violations (including failure to pay rest period premiums at the regular rate of pay); (4) failure to pay minimum wages; (5) failure to pay all final wages; (6) failure to provide, complete, accurate or properly formatted wage statements; (7) failure to reimburse business expenses and costs; (8) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the Complaint; and (9) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. The res judicata effect of the Judgment will be the same as that of the Release. The period of the Released Class Claims shall extend to the limits of the Class Period.
- KK. Released PAGA Claims:** The Released PAGA Claims mean all claims for PAGA penalties alleged or that reasonably could have been alleged based on the factual allegations and legal assertions made in Plaintiffs' PAGA Notice and Complaint that arose during the PAGA Period, including: (1) failure to pay overtime wages (including failure to properly calculate the regular rate of pay

to those who worked overtime and earned incentive pay); (2) meal period violations (including failure to pay meal period premiums at the regular rate of pay); (3) rest period violations (including failure to pay rest period premiums at the regular rate of pay); (4) failure to pay minimum wages; (5) failure to pay all final wages; (6) failure to timely pay wages during employment; (7) failure to provide, complete, accurate or properly formatted wage statements; and (8) failure to reimburse business expenses and costs.

- LL. Released Parties:** Defendants and their parents, shareholders, members, predecessors, successors, all affiliates, subsidiaries, officers, directors, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys, and any past, present, or future officers, directors, and employees), employees, and stockholders.
- MM. Response Deadline:** Forty-five (45) calendar days from the initial mailing of the Notice Packet to opt out of this Agreement or file and serve an objection to the Settlement. If a Notice Packet is remailed to a Class Member, such Class Member will have an additional ten (10) calendar days – or a total of fifty-five (55) calendar days – from the initial mailing of the initial Notice Packet.
- NN. Settlement Administrator:** The third-party administrator agreed upon by Parties to administer this Settlement is Phoenix Class Action Administration Solutions, subject to approval by the Court.

II. RECITALS

- A.** On July 28, 2023, Plaintiffs provided written notice to the LWDA and Defendants of the specific provisions of the Labor Code they contend were violated and the theories supporting their allegations.

On July 31, 2023, Plaintiffs filed a wage-and-hour class action lawsuit against Defendants in the Superior Court of California, County of San Bernardino, alleging violation of: (1) Labor Code sections 510 and 1198 (unpaid overtime); (2) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) Labor Code section 226.7 (unpaid rest premiums); (4) Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) Labor Code sections 201 and 202 (final wages not timely paid); (6) Labor Code section 226(a) (noncompliant wage statements); (7) Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (8) Business & Professions Code section 17200, *et seq.* (Case No. CIVSB2317702).

On December 4, 2023, Plaintiffs filed a representative PAGA action against Defendants in the Superior Court of California, County of San Bernardino, predicated on Defendants' alleged: (1) failure to pay minimum and overtime wages; (2) failure to provide meal periods and rest breaks; (3) failure to timely pay wages during employment; (4) failure to timely pay wages upon

termination; (5) failure provide complete and accurate wage statements; and (6) failure to reimburse business expenses (Case No. CIVSB2331552).

After engaging in discovery, investigations, and negotiations, the Parties attended mediation on February 15, 2024 with the mediator Michael Ludwig and negotiated a global settlement.

In line with the settlement, the Parties stipulated to consolidate both lawsuits and designate the class action lawsuit as the lead case.

- B. Discovery and Investigation.** The Parties conducted significant investigation and discovery of the facts and law both before and after the Action was filed. Prior to mediation, Defendants produced several documents relating to their policies, practices, and procedures regarding reimbursement of business expenses, paying non-exempt employees for all hours worked, and meal and rest breaks as well as payroll and operational policies. As part of Defendants' production, Plaintiffs also reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Plaintiffs to understand the number of workweeks and pay periods in the Class Period. Plaintiffs also located and interviewed Class Members who worked for Defendants throughout the Class Period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- C. Benefits of Settlement to Class Members.** The Parties believe this Agreement constitutes a fair, adequate, and reasonable settlement of the Action and have arrived at this Agreement in arms-length negotiations, considering all relevant factors, present and potential, and will so represent to the Court. This Agreement also represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants that the claims in the Action of Plaintiffs or the Class have merit or that Defendants bear any liability to Plaintiffs, the Class on those claims or any other claims, or as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If, for any reason, the Settlement does not become effective, Defendants reserve the right to contest certification for any reason and reserve all available defenses to the claims in the Action.
- D. Defendants' Reasons for Settlement.** Defendants recognize that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendants have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendants have agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest, and the Released Claims.

- E. Defendants' Denial of Wrongdoing.** Defendants generally and specifically deny any and all liability or wrongdoing of any sort with regard to any of the claims alleged, make no concessions or admissions of liability of any sort, and contend that for any purpose other than settlement, the Action is not appropriate for class treatment. Defendants assert several defenses to the claims and have denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendants or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiffs can serve as adequate representatives. There has been no determination by any court as to the merits of the claims asserted by Plaintiffs against Defendants or as to whether a class or classes should be certified, other than for settlement purposes only. This Agreement is a compromise of claims disputed in good faith. The monies being paid as part of the Settlement are genuinely disputed, and the Parties agree that the provisions of Labor Code section 206.5 are not applicable to this Settlement.
- F. Plaintiffs' Claims.** This Agreement is a compromise of disputed claims. The monies being paid as part of the Settlement are genuinely disputed, and the Parties agree that the provisions of Labor Code section 206.5 are not applicable to this Settlement. If this Settlement is approved by the Court, none of Plaintiffs, Class Members, or Class Counsel will oppose Defendants' efforts to use this Agreement to prove that Plaintiffs and the Class Members have resolved and are forever barred from re-litigating the Released Claims, as applicable.
- G. Stipulation to Consolidate for Settlement Purposes.** Following the execution of this Agreement and for settlement purposes only, the Parties agree to file a stipulation to consolidate the related class action lawsuit and representative PAGA action and designate the former as the lead case.

III. SETTLEMENT TERMS AND CONDITIONS

- A. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, excluding employer payroll taxes, that Defendants will pay under this Agreement is \$850,000. This amount is all-inclusive of all payments contemplated in this resolution, and excluding any employer payroll taxes, if any, due on the portion of the Settlement Shares allocated to wages, which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendants. All the Gross Settlement Amount will be disbursed pursuant to this Agreement without the need to submit a claim form and none of the Gross Settlement Amount will revert to Defendants. The Gross Settlement Amount and other actions and forbearances taken by Defendants shall constitute adequate consideration for the Settlement and will be made in full and final settlement of the: (1) Released

Claims; (2) Attorney Fee Award; (3) Cost Award; (4) Class Representative Enhancement Payments; (5) Administration Costs; (6) PAGA Payment; and (7) any other obligation of Defendants under this Agreement (other than the Employer's Taxes on the portion of the Net Settlement Amount allocated to the payment of wages).

- B. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that for this Settlement to occur, the Court must certify the Class as defined in this Agreement. Should the Settlement not become final and effective as herein provided, class certification shall immediately be set aside, and the Settlement Class immediately decertified (subject and without prejudice to further proceedings on motion of any Party to certify or deny certification thereafter).
- C. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiffs and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with the question of whether any arbitrator or court, including this Court, should certify any claims in a non-settlement context in this Action or in any other lawsuit or venue. If the Settlement does not become effective, Defendants reserve the right to contest any issues relating to class certification, liability, and damages.
- D. Appointment of Class Representatives.** Solely for the purposes of this Settlement, and without prejudice to Defendants asserting that Plaintiffs are not adequate class representatives in this or any other proceeding or if this Settlement does not become final and effective as provided herein, the Parties stipulate and agree Plaintiffs shall be appointed as the representatives.
- E. Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.
- F. Settlement Disbursement.** Subject to the terms and conditions of this Agreement and the approval of the Court, the Settlement Administrator will disburse the Gross Settlement Amount as follows:
- 1. To the Plaintiffs.** In addition to their Individual Settlement Shares, and subject to the Court's approval and Plaintiffs' execution of the general release as set forth herein, Plaintiffs will receive up to \$10,000 each as Class Representative Enhancement Payments (totaling \$20,000). Defendants will not oppose Class Representative Enhancement Payments in the amount requested. The Settlement Administrator will pay the Class Representative

Enhancement Payments out of the Gross Settlement Amount in the Qualified Settlement Fund. Plaintiffs shall be solely and legally responsible for paying any and all applicable taxes on the Class Representative Enhancement Payments that is not subject to taxes and withholdings. Plaintiffs will hold harmless Defendants and the Released Parties from any claim or liability for taxes, penalties, or interest arising because of the Class Representative Enhancement Payments. If the Court does not approve the entirety of the application for the Class Representative Enhancement Payments, the Settlement Administrator shall pay whatever amount the Court awards out of the Gross Settlement Amount in the Qualified Settlement Fund, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount approved by the Court. If the amount awarded is less than the amount requested by Plaintiffs, the difference shall become part of the NSA and will be distributed to Participating Class Members in accordance with the terms of this Agreement. If the Court reduces or does not approve the requested Class Representative Enhancement Payments, Plaintiffs shall not have the right to modify or revoke the Settlement, and it will remain binding, nor will Plaintiffs seek, request, or demand an increase in the Gross Settlement Amount on that basis.

2. **To Class Counsel.** Class Counsel will apply to the Court for a total Attorney Fee Award not to exceed thirty-five percent (35%) or \$297,500 of the GSA and a Cost Award not to exceed \$20,000 for all expenses incurred as documented in Class Counsel's records. Defendants will not oppose Class Counsel's request for an Attorney Fee Award and Cost Award consistent with this Agreement and approved by the Court. The Settlement Administrator may purchase an annuity to utilize U.S. treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. The Settlement Administrator will pay the Court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Settlement Amount in the Qualified Settlement Fund. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. Class Counsel shall be solely and legally responsible for paying all applicable taxes on the Attorney Fee Award and Cost Award. If the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards from the GSA in the Qualified Settlement Fund, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, the difference shall become part of the NSA and will be distributed to Participating Class Members in accordance with the terms of this Agreement. The Parties agree that over and above the Court-approved Attorney Fee Award and Cost Award, each of the Parties, including all Class Members, shall bear their own fees and costs, including, but not

limited to, those related to the investigation, filing, prosecution, or Settlement of the Action; negotiation, execution, or implementation of this Agreement; and/or the process of obtaining, administering or challenging the Preliminary Approval Order and/or Final Approval. If the Court reduces or does not approve the requested Attorney Fee Award and Cost Award, and/or if the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, Plaintiffs and Class Counsel shall not have the right to modify or revoke the Settlement, or to appeal such order, and the Settlement will remain binding, nor will Plaintiffs or Class Counsel seek, request, or demand an increase in the Gross Settlement Amount on that basis.

3. **To the Responsible Tax Authorities.** The Settlement Administrator will withhold the amount of each Participating Class Member's portion of normal payroll withholding taxes out of each Participating Class Member's Individual Settlement Share. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of payroll withholding taxes. The Settlement Administrator will submit Defendants' portion of payroll withholding tax calculation to Defendants for additional funding and shall forward those amounts withheld to the appropriate taxing authorities.
4. **To the Settlement Administrator.** The Settlement Administrator will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$15,000. This will be paid out of Gross Settlement Amount in the Qualified Settlement Fund. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and will be distributed to Participating Class Members in accordance with the terms of this Agreement.
5. **To Participating Class Members.** The Settlement Administrator will pay each Participating Class Member the Class Member's Individual Settlement Share from the NSA.
 - a. **Individual Settlement Share Calculation.** The Individual Settlement Share is calculated based on each Participating Class Member's pro-rata share of the Net Settlement Amount based on workweeks during the Class Period as follows: (i) the number of weeks he or she worked as a Class Member during the Class Period; (ii) divided by the total number of weeks collectively worked by all Class Members during the Class Period; (iii) which is then multiplied by the Net Settlement Amount. The Settlement Administrator will use the Class Data to calculate the number of workweeks worked by each Class Member based on their dates of employment for purposes of this calculation.

- b. Tax Treatment for Individual Settlement Shares.** Each Participating Class Member's Individual Settlement Share will be apportioned as follows: thirty percent (30%) wages (the "Wage Portion") and seventy percent (70%) interest, penalties, and reimbursements (collectively the "Non-Wage Portion"). The Wage Portion shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. Subject to requirements of applicable law, payment of all amounts subject to withholdings will be made subject to backup withholding. Payroll tax withholding and deductions will not be taken from the Non-Wage Portion and instead a Form 1099 will be issued to each Participating Class Member, who will assume full responsibility and liability for the taxes due on their Non-Wage Portion of their Individual Settlement Shares and shall hold Defendants harmless from any and all liability with regard thereto. Participating Class Members will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Shares and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Shares.
- 6. Effect of Opt Outs.** Opt-Outs will receive no Individual Settlement Shares, and their Exclusion Form will reduce neither the Gross Settlement Amount nor the Net Settlement Amount. Their respective Individual Settlement Shares will remain a part of the Net Settlement Amount for distribution to Participating Class Members on a *pro rata* basis relative to their Settlement Shares.
- 7. To the LWDA and Aggrieved Employees.** The LWDA and Aggrieved Employees will receive a PAGA Payment of \$50,000, seventy-five percent (75%) of which (\$37,500) will be paid to the LWDA, and twenty-five percent (25%) of which (\$12,500) will be paid to the Aggrieved Employees.
 - a. Aggrieved Employees Portion of the PAGA Payment.** The Settlement Administrator will calculate each Aggrieved Employees' portion of the PAGA Payment by: (a) dividing the amount of the Aggrieved Employees' twenty-five percent (25%) share of PAGA Payment (\$12,500) by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's pay periods during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their portion of the PAGA Payment.

- b. Tax Treatment for Aggrieved Employees' Portion of the PAGA Payment.** If the Court approves PAGA Payment of less than the amount requested, the Settlement Administrator will allocate the remainder to the Net Settlement Amount. In addition, the Settlement Administrator will report the Aggrieved Employees' portion of the PAGA Payment on IRS 1099 Forms.

G. Appointment of Settlement Administrator. The Settlement Administrator shall be responsible for the following: (a) preparing, translating, printing, and mailing the Notice Packet to the Class Members; (b) keeping track of any objections or requests for exclusion from Class Members; (c) performing skip traces and remailing Notice Packets and settlement checks to Class Members; (d) calculating any and all payroll tax deductions as required by law; (e) calculating each Class Member's and Aggrieved Employee's settlement payment; (f) providing weekly status reports to the Parties' counsel, which is to include prompt updates on any objections or requests for exclusion that have been received; (g) providing a due diligence declaration for submission to the Court prior to the Final Approval Hearing; (h) mailing settlement checks to Participating Class Members and Aggrieved Employees; (i) distributing the Attorney Fee Award and Cost Award to Class Counsel; (j) printing and providing W-2s and 1099 forms as required under this Agreement and applicable law; (k) providing a due diligence declaration for submission to the Court upon the completion of the Settlement; (l) providing any funds remaining in the QSF as a result of uncashed checks to the *cypres* recipient, including the administration of related tax reimbursements; and (m) performing such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest. The Parties agree to undertake good faith efforts to ensure that the Settlement Administrator indemnifies the Parties and counsel regarding any improper handling of Settlement Administrator's responsibilities, including the handling of any tax-related matters. The Parties will have equal access to the Settlement Administrator throughout the claims administration period.

H. CIRCULAR 230 DISCLAIMER. Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that:

- (1) No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);

- (2) The Acknowledging Party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

I. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a.** No later than sixteen (16) court days after the execution of this agreement, Plaintiffs will, in accordance with the terms and conditions of this Agreement, file a motion with the Court for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, approving the Notice Packet and Exclusion Form.
- b.** At the Preliminary Approval hearing, Plaintiffs will, in accordance with the terms and conditions of this Agreement, appear, support the granting of the motion, and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representatives, Class Counsel, and Settlement Administrator; approving the Notice Packet; and setting the Final Approval Hearing.
- c.** If the Court declines to conditionally certify the Class or to issue a Preliminary Approval of the Settlement consistent with the terms of this Agreement, this Agreement will be null and void, and the Parties will have no further obligations under it, except if the Court declines to enter the Preliminary Approval due solely to the amount of requested Attorney Fee Award and Cost Award. This Agreement is not contingent upon approval by the Court of Class Counsel's application for the Attorney Fee Award or Cost Award, and if the Court approves all payments pursuant to this Agreement except for the application for the Attorney Fee Award or Cost Award, the Parties will remain bound by this Agreement and any Court-required reduction of the attorneys' fees and costs will be

reallocated to Participating Class Members as part of the Net Settlement Amount.

2. **Notice to Class Members.** After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Notice Packet in accordance with the following procedure:
 - a. Within fifteen (15) business days after entry of the Preliminary Approval Order, Defendants shall deliver the Class Data to the Settlement Administrator. If any portion of the Class Data are unavailable to Defendants, Defendants will inform Class Counsel, and the Parties will make their best efforts to agree upon the Class Data prior to when it must be submitted to the Claims Administrator.
 - b. Upon receipt of the Class Data, the Settlement Administrator will use all commercially reasonable means to confirm Class Members' addresses and obtain new addresses, as necessary. The Settlement Administrator will perform a search based on the National Change of Address Database ("NCOA") to update and correct any known or identifiable address changes. The Settlement Administrator shall maintain the Class Data as private and confidential and take reasonable and necessary precautions to maintain the confidentiality of the Class Data. The Settlement Administrator shall not distribute or use the Class Data, or any information contained therein, for any purpose other than to administer this Settlement.
 - c. Within fourteen (14) business days after Defendants' deadline to provide the Class Data to the Settlement Administrator, the Settlement Administrator will mail the Notice Packet to all identified Class Members via first-class U.S. Mail.
 - d. If a Notice Packet is returned because of an incorrect address, within ten (10) calendar days from receipt of the returned Notice Packet, the Settlement Administrator will conduct a search for a more current address for the Class Member and remail the Notice Packet to the Class Member. The Settlement Administrator will use the NCOA and up to two (2) skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Notice Packet is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum: (i) tracking of all undelivered mail; (ii) performing address searches for all mail returned without a forwarding address; and (iii) promptly remailing to Class

Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Notice Packet shall be remailed to the original address. If the Notice Packet is remailed, the Settlement Administrator will note for its own records the date and address of each remailing. Those Class Members who receive a remailed Notice Packet, whether by skip-trace or forwarded mail, will have an additional ten (10) calendar days to postmark an Exclusion Form or file and serve an objection to the Settlement. The Settlement Administrator shall mark on the envelope whether the Notice Packet is a remailed notice.

- e. Class Members may dispute the information provided in their Notice Packet but must do so in writing and it must be postmarked by the Response Deadline. To the extent Class Members dispute the number of workweeks and/or pay periods to which they have been credited or the amount of their settlement payments, they must produce evidence to the Settlement Administrator showing that such information is inaccurate. The Settlement Administrator will jointly work with the Parties to resolve the dispute in good faith. Defendants' records will be presumed determinative, unless the Class Member produces payment stubs, wage statements, or other documents which conflict with Defendants' records. If the Parties cannot agree on the workweeks and/or pay periods to be credited, the Settlement Administrator shall make the final decision based on the information presented by the Class Member and Defendants.
- f. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Counsel for Defendants of the number of Notice Packets mailed, the number of Notice Packets returned as undeliverable, the number of Notice Packets remailed, and the number of Exclusion Forms received.
- g. No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than sixteen (16) court days before the Final Approval Hearing. Before the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

3. Objections to Settlement.

- a. **Notice Packet.** The Notice Packet will provide that the Class Members who wish to object to the class portion of the Settlement may do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline.
- b. **Format.** Any written objections shall state: (i) the objecting person's full name, address, and telephone number; (ii) the words "Notice of Objection" or "Formal Objection;" (iii) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (iv) list identifying witness(es) the objector may call to testify at the Final Approval Hearing; and (v) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval Hearing. The Parties may file written responses to any filed objections in the motion for Final Approval.
- c. **Objector Appearances.** Participating Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel. The failure to file and serve a written objection does not waive a Participating Class Member's right to appear at and make an oral objection at the Final Approval Hearing.
- d. **Fees.** Defendants shall not be responsible for the fees, costs, or expenses incurred by Plaintiffs, Class Counsel or Participating Class Members arising from or related to any objection to the Settlement Agreement or related to any appeals thereof.

4. Request for Exclusion from the Settlement ("Opt Out").

- a. **Notice Packet.** The Notice Packet will provide that Class Members who wish to exclude themselves from the class portion of the Settlement must mail to the Settlement Administrator an Exclusion Form. The written request for exclusion must: (i) include the Class Member's name, address, and last four digits of the Social Security Number; (ii) be addressed to the Settlement Administrator; (iii) be signed by the Class Member; and (iv) be postmarked no later than the Response Deadline.
- b. **Validity and Effect.** Any Class Member who returns a timely, valid, and executed Exclusion Form will not participate in or be bound by the class portion of the Settlement and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely Exclusion Form will be included in the

Settlement, will receive an Individual Settlement Share, and will be bound by all terms and conditions of the Settlement if the Settlement is approved by the Court, regardless of whether he or she has objected to the Settlement.

- c. Aggrieved Employees.** Class Members, who are Aggrieved Employees, can only opt out of the class portion of the Settlement. In other words, Class Members, who are Aggrieved Employees, who submit valid and timely requests for Exclusion will still be bound by the PAGA portion of the Settlement and will still receive their portion of the PAGA Payment.
- d. Report.** No later than seven (7) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the: (i) number of Notice Packets mailed to Class Members; (ii) number of Notice Packets returned as undeliverable; (iii) number of Notice Packets remailed to Class Members; (iv) number of remailed Notice Packets returned as undeliverable; (v) number of Class Members who objected to the Settlement and copies of their submitted objections; (vi) number of Class Members who returned valid requests for exclusion; and (vii) number of Class Members who returned invalid requests for exclusion. The Settlement Administrator shall continue to provide weekly reports.

5. No Solicitation of Objection or Requests for Exclusion. Neither the Parties nor their counsel or agents will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Final Approval.

6. Motion for Final Approval.

- a.** Class Counsel will file unopposed motions and memoranda in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (i) Attorney Fee Award; (ii) Cost Award; (iii) Class Representative Enhancement Payments; (iv) Administration Costs; (v) PAGA Payment; and (vi) Individual Settlement Shares from the Net Settlement Amount. Class Counsel will also move the Court for an order of Final Approval releasing and barring any Released Claims of the Participating Class Members.
- b.** If the Court does not grant Final Approval of the Settlement or grants Final Approval conditioned on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), then the Parties shall

work together in good faith to address any concerns raised by the Court and propose a revised Settlement for the Court's approval. However, an award by the Court of a lesser amount than that sought by Plaintiffs and Class Counsel for the Class Representative Enhancements, Attorney Fee Award, or Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph. Notwithstanding anything to the contrary, an award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Enhancements, Attorney Fee Award, and/or Cost Award, will not constitute a denial of Final Approval, a material modification to the Settlement, or a Final Approval inconsistent with the terms of this Agreement within the meaning of this paragraph.

- c. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving the Settlement. After entry of Final Approval, the Court shall have continued jurisdiction over the Action for purposes of: (i) enforcing this Settlement Agreement; (ii) addressing settlement administration matters; and (iii) addressing such post-Final Approval matters as may be appropriate under Court rules and applicable law.

- 7. **Waiver of Right to Appeal.** Provided that the Final Approval is consistent with the terms and conditions of this Agreement (except for any Final Approval inconsistent solely with Class Counsel's request for Attorney Fee Award and/or Cost Award), if Class Members do not timely object to the Settlement, then the Parties and their counsel waive any and all rights to appeal from the Final Approval, including, but not limited to, all rights to any post-Final Approval proceeding and appellate proceeding, such as a motion to vacate or set aside the Final Approval, and any extraordinary writ, and the Final Approval will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-Final Approval proceeding.
- 8. **Vacating, Reversing, or Modifying Final Approval on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Final Approval such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Final Approval is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount.

9. Disbursement of Settlement Shares and Payments. Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval. The maximum amount Defendants can be required to pay under this Settlement for any purpose is the Gross Settlement Amount. The Settlement Administrator shall keep the Parties' counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from the Parties' counsel. No person shall have any claim against Defendants, Counsel for Defendants, Plaintiffs, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

- a. Funding the Settlement:** No later than the Effective Final Settlement Date, Defendants shall provide any tax information available to Defendants that the Settlement Administrator may need to calculate each Participating Class Members' Individual Settlement Shares. No later than the Effective Final Settlement Date, Defendants shall deposit the Gross Settlement Amount by wiring the funds to the Settlement Administrator as well as any additional sums necessary to account for the employers' share of payroll taxes. Defendants will have no obligation to pay the GSA unless and until the Court enters a final order approving the settlement, no objections or appeals are pending, and the appeal period is over.
- b. Disbursement:** Within fourteen (14) calendar days after the funding of the Settlement, the Settlement Administrator shall calculate and disburse all payments due under the Settlement Agreement, including all Individual Settlement Shares, Attorney Fee Award, Cost Award, Class Representative Enhancements, Administration Costs, and PAGA Payment. As of the Effective Final Settlement Date, the Released Parties shall have no liability for the Released Claims by or on behalf of Plaintiffs and/or Participating Class members, which are released under this Agreement.
- c. QSF:** The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations section 1.468B-1, 26 C.F.R. section 1.468B-1 *et seq.* and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. section 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

10. Uncashed Checks. Participating Class Members and Aggrieved Employees must cash or deposit their settlement checks within one hundred eighty (180) calendar days after the settlement checks are mailed to them. If any settlement checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the settlement check is redeemed or deposited in the next ninety (90) calendar days, it will expire and become non-negotiable, and offer to replace the settlement check if it was lost or misplaced. If any settlement checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the settlement checks are mailed, disburse the funds from such uncashed or not deposited settlement checks to the California Controller's Unclaimed Property Fund to be held pursuant to the Unclaimed Property Law, Civil Code section 1500, *et seq.*, in the name of the Participating Class Member to whom the check was issued, until such time that they claim their property.

11. Final Report by Settlement Administrator. Within ten (10) calendar days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

12. Defendants' Legal Fees. Defendants are responsible for paying for all of Defendants' own legal fees, costs, and expenses incurred in this Action outside of the Gross Settlement Amount.

J. Release of Claims. As of the Effective Final Settlement Date, except as to such rights or claims as may be created by this Agreement, in exchange for the consideration set forth in this Agreement, Plaintiffs, Participating Class Members, and Aggrieved Employees on their own behalf, and on behalf of their current, former, and future heirs, spouses, executors, administrators, agents, and attorneys, release the Released Parties from the Released Claims for the Class Period and PAGA Period. Plaintiffs, Participating Class Members, and Aggrieved Employees shall be deemed to have, and, upon Defendants' fully funding of the Settlement and by operation of the Final Approval, shall have, fully, finally, and forever settled, and released all the Released Claims as defined in this Agreement. The Parties further acknowledge, understand and agree that this release is a material part of the consideration for this Agreement; was critical in justifying the agreed-upon economic value of this Settlement, and without it Defendants would not have agreed to the consideration provided; and is narrowly drafted and necessary to ensure that Defendants are obtaining peace of mind regarding the resolution of claims that were or could have been alleged based on the facts and legal theories contained in the Complaint.

1. **Participating Class Members.** Upon the Effective Final Settlement Date, each Participating Class Member shall release Defendants and the Released Parties, and each of them, from the Released Class Claims. Each Participating Class Member will be bound to the release of Released Class Claims as a result of the Settlement and to the terms of the final judgment and the satisfaction of such judgment. It is understood and agreed that this Agreement will not release any person, party or entity from claims, if any, by Class Members for workers' compensation, unemployment, or disability benefits of any nature, nor does it release any claims, actions, or causes of action which may be possessed by Class Members under state or federal discrimination statutes, including, without limitation, Fair Employment and Housing Act, Government Code sections 12940, *et seq.*; Unruh Civil Rights Act, Civil Code sections 51, *et seq.*; California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. sections 2000, *et seq.*; Americans with Disabilities Act, as amended, 42 U.S.C. sections 12101, *et seq.*; Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. sections 1001, *et seq.*; and all of their implementing regulations and interpretive guidelines, or any other law which cannot be lawfully released. Class Members who do not opt out will be deemed to have acknowledged and agreed that their Individual Settlement Shares constitute payment of all sums allegedly due to them.
2. **Aggrieved Employees.** As of the Effective Final Settlement Date, this Settlement forever bars Plaintiffs, LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all Aggrieved Employees during the PAGA Period, from pursuing any action for civil penalties under the Labor Code section 2698, *et seq.* (PAGA), or any of the Released PAGA Claims against, the Released Parties based on or arising out of alleged violations of Labor Code sections alleged in the Complaint and PAGA Notice.

K. Plaintiffs' Release of Claims and General Release. As of the Effective Final Settlement Date, and in exchange for the Class Representative Enhancement Payments to each Plaintiffs, in recognition of their work and effort in obtaining the benefits for the Class, and undertaking the risk for the payment of costs if this matter had not successfully resolved, Plaintiffs provides a general release of claims for themselves and their spouses, heirs, successors and assigns, and forever releases, remises, and discharges the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, arising from the beginning of time through the date of the Court grants Preliminary Approval, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to their employment with Defendants or the remuneration for, or

termination of, such employment. Plaintiffs' Release of Claims also includes a waiver of Civil Code section 1542, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs may hereafter discover claims or facts in addition to, or different from, those which they now know or believe to exist. But Plaintiffs expressly agree to fully, finally, and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiffs' employment with Defendants.

L. Miscellaneous Terms

- 1. No Admission of Liability.** Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Defendants reserve the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendants deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that but for the Settlement, a Class should be certified in the Action. This Agreement is entered solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. This Settlement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation, administrative proceeding, or other special proceeding (other than solely in connection with this Settlement).
- 2. No Effect on Employee Benefits.** The Class Representative Enhancement Payments and Individual Settlement Shares paid to Plaintiffs and Participating Class Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiffs or Participating Class Members. The Parties agree that any Class Representative Enhancements and Individual Settlement Shares to Plaintiffs and Participating Class Members under the terms of this Agreement do not represent any modification of Plaintiffs' or Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.

- 3. Publicity.** Plaintiffs and Class Counsel shall make no public statement or release regarding the settlement, and agree not to post the settlement terms, amount, or that they obtained a settlement from Defendants on their website. This provision shall not apply to the filing of any documents with the Court which are necessary to effectuate the Settlement, nor is it intended to interfere with or restrict: (i) Settlement Administrator from distributing the Notice Packets and otherwise complying with its obligation to provide information to affected Class Members and/or Aggrieved Employees; (ii) Settlement Administrator from posting any judgment on its website; and (iii) Class Counsel from disclosing the names of the parties in this Action and the venue/case number of this action for purposes of proving adequacy.
- 4. Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
- 5. Authorization to Enter Into Settlement Agreement.** The Parties' counsel warrant and represent that they are authorized by Plaintiffs and Defendants to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach an agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
- 6. Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
- 7. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

- 8. Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.
- 9. Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- 10. No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- 11. Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- 12. Fair, Adequate, and Reasonable Settlement.** The Parties and their counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, considering all relevant factors, current and potential.
- 13. No Tax or Legal Advice.** The Parties understand and agree the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Plaintiffs, Class Counsel, and Participating Class Members will assume any such tax obligations or consequences that may arise from any disbursements made under this Agreement, and that Plaintiffs, Class Counsel, and Participating Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, if any taxing body determines that additional taxes are due from any recipient of a disbursement under this agreement, such recipient assumes all responsibility for the payment of such taxes.
- 14. Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders in connection therewith.

- 15. Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to fully construe the provisions valid possible consistent with applicable precedents, to define all provisions of this Agreement valid and enforceable. If any provision of this Agreement other than Plaintiffs' and Class Members' release of claims, as set forth herein, is found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.
- 16. Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 17. Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Executed counterparts will be admissible in evidence to prove the existence and contents of this Agreement.
- 18. Defendants' Option to Terminate.** Defendants retain the right, in the exercise of their sole discretion, to nullify the settlement within thirty (30) calendar days after expiration of the Response Deadline, if more than five percent (5%) of Class Members opt out of the Settlement, Defendants shall have the right to void their portion of the settlement. If Defendants elect to terminate the Settlement, Defendants shall be responsible for payment of any cost of administration incurred with the Settlement Administrator.
- 19. Class Size Estimates and Escalator Clause.** It is estimated that there are 221 Class Members who worked 16,291 workweeks during the Class Period and 133 Aggrieved Employees who worked 6,116 pay period during the PAGA Period. If the number of workweeks during the Class Period exceeds 16,291 by more than ten percent (10%) (or 17,920), then Plaintiffs shall, in their sole discretion, have the right to request a pro-rata increase in the GSA equal to the percentage increase in workweeks above 17,920. For example, if the workweek count increases by twelve percent (12%), then Plaintiffs shall request a two percent (2%) increase to the Gross Settlement Amount. However, at Defendants' discretion, in lieu of Defendants paying for any excess workweeks, the Class Period may be shortened so that it includes only a total of 17,920 workweeks.

IV. VOLUNTARY NATURE OF AGREEMENT

The Parties understand and agree they executed this Agreement voluntarily and without any duress or undue influence on the part or behalf of one another or any third party, with the full intent of releasing all of claims released herein. The Parties acknowledge that:

- (a) They have read this Agreement;
- (b) They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice;
- (c) They understand the terms and consequences of this Agreement and of the releases it contains;
- (d) They are fully aware of the legal and binding effect of this Agreement; and
- (e) They have not relied upon any representations or statements made by one another that are not specifically set forth in this Agreement.

V. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 04/11/2024

FREDRICK EVANS

Frederick W Evans

Dated: 04/11/2024

BRENDON SIMPSON

Brendon Simpson

Dated: Apr 22, 2024

TRANSCONTINENTAL ONTARIO INC.

Lynda Newcomb

Lynda Newcomb (Apr 22, 2024 16:51 EDT)

[INSERT NAME] Lynda Newcomb

[INSERT TITLE] Chief Human Resources Officer

Dated: Apr 22, 2024

TC TRANSCONTINENTAL PACKAGING INC.

Lynda Newcomb

Lynda Newcomb (Apr 22, 2024 16:51 EDT)

[INSERT NAME] Lynda Newcomb

[INSERT TITLE] Chief Human Resources Officer

Dated: Apr 22, 2024

TC TRANSCONTINENTAL U.S.A. INC.

Lynda Newcomb

Lynda Newcomb (Apr 22, 2024 16:51 EDT)

[INSERT NAME] Lynda Newcomb

[INSERT TITLE] Chief Human Resources Officer

APPROVED AS TO FORM:

Dated: 4/12/24

JUSTICE LAW CORPORATION



Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Talia Lux, Esq.
Attorneys for Plaintiffs

Dated: April 22, 2024

**OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.**



Robert R. Roginson, Esq.
Vi N. Applen, Esq.
Attorneys for Defendants

2024_04_09_Settlement Agreement_Partially Executed (Transcontinental Ontario Inc. adv. Evans).v2 (Final)

Final Audit Report

2024-04-22

Created:	2024-04-17
By:	Amanda Inglett (amanda.inglett@tc.tc)
Status:	Signed
Transaction ID:	CBJCHBCAABAAGalpM0zQbfqPo-HHMIcJT3QiQjQQDm3k

"2024_04_09_Settlement Agreement_Partially Executed (Transcontinental Ontario Inc. adv. Evans).v2 (Final)" History

-  Document created by Amanda Inglett (amanda.inglett@tc.tc)
2024-04-17 - 2:59:27 PM GMT- IP address: 206.74.10.64
-  Document emailed to lynda.newcomb@tc.tc for signature
2024-04-17 - 3:04:14 PM GMT
-  Email viewed by lynda.newcomb@tc.tc
2024-04-22 - 8:30:31 PM GMT- IP address: 104.47.75.254
-  Signer lynda.newcomb@tc.tc entered name at signing as Lynda Newcomb
2024-04-22 - 8:51:04 PM GMT- IP address: 198.235.61.227
-  Document e-signed by Lynda Newcomb (lynda.newcomb@tc.tc)
Signature Date: 2024-04-22 - 8:51:06 PM GMT - Time Source: server- IP address: 198.235.61.227
-  Agreement completed.
2024-04-22 - 8:51:06 PM GMT

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Evans, et al. v. Transcontinental Ontario Inc., et al. (Case No. CIVSB2317702) (Consolidated with Case No. CIVSB2331552)

The Superior Court for the State of California authorized this Class Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendants Transcontinental Ontario Inc., TC Transcontinental Packaging Inc., and TC Transcontinental U.S.A. Inc. (“Defendants”) for alleged wage and hour violations. The Action was filed by Plaintiffs Fredrick Evans and Brendon Simpson (“Plaintiffs”), former employees of Defendants. The Action seeks payment of:

- (1) Unpaid wages for a class of current and former hourly-paid or non-exempt employees employed by Defendants within the state of California at any time between July 31, 2019 and [REDACTED] (“Class,” “Class Members,” “Class Period”); and
- (2) Penalties under the Private Attorneys General Act of 2004 (“PAGA”) for all current and former hourly-paid or non-exempt employees employed by Defendants within the state of California at any time between September 30, 2022 and [REDACTED] (“Aggrieved Employees” and “PAGA Period”).

The settlement has two main parts: (1) Class Settlement requiring Defendants to fund Individual Settlement Shares; and (2) PAGA Settlement requiring Defendants to fund individual PAGA shares.

Based on Defendants’ records, and the Parties’ current assumptions, your Individual Settlement Share is estimated to be \$ [REDACTED] (less withholding) and your individual PAGA share is estimated to be \$ [REDACTED]. The actual amount you may receive likely will be different and will depend on several factors. (If no amount is stated for your individual PAGA share, then according to Defendants’ records, you are not eligible for an individual PAGA share under the settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing you worked [REDACTED] workweeks during the Class Period and worked [REDACTED] pay periods during the PAGA Period. If you believe you worked more workweeks or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Class Notice.

The Court has already preliminarily approved the settlement and approved this Class Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Class Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the settlement and how much of the settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or PAGA Period, you have two (2) basic options under the settlement:

1. **Do Nothing.** You don't have to do anything to participate in the settlement and to be eligible for an Individual Settlement Share and/or individual PAGA share. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.
2. **Opt Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt out) by submitting the Exclusion Form accompanied with this Class Notice to the Settlement Administrator. If you opt out of the settlement, you will not receive an Individual Settlement Share but will preserve your right to personally pursue Class Period wage claims against Defendants. Moreover, if you are an Aggrieved Employee, you remain eligible for an individual PAGA share. You cannot opt out of the PAGA portion of the settlement.

Defendants won't retaliate against you for any actions you take with respect to the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Settlement Share and individual PAGA share (if any). In exchange, you will give up your right to assert the wage claims against Defendants covered by this settlement (Released Claims).
You Can Opt Out of the Class Settlement but not the PAGA Settlement The Opt Out Deadline is [REDACTED]	If you don't want to fully participate in the settlement, you can opt out of the Class Settlement by sending the Settlement Administrator an Exclusion Form. Once excluded, you will be a Non-Participating Class Member and will no longer be eligible for an Individual Settlement Share. Non-Participating Class Members cannot object to any portion of the settlement. See Section 6 of this Class Notice. You cannot opt out of the PAGA portion of the settlement. Defendants must pay individual PAGA shares to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	All Class Members who do not opt out ("Participating Class Members") can object to any aspect of the settlement. The Court's decision whether to finally approve the settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Class Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your

	own cost), in person or by telephone. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Class Notice.
You Can Challenge the Calculation of Your Workweeks / Pay Periods Written Challenges Must be Submitted by	The amount of your Individual Settlement Share and individual PAGA share (if any) depend on how many workweeks you worked during the Class Period and how many pay periods you worked during the PAGA Period, respectively. The number of workweeks and of pay periods you worked according to Defendants' records is stated on the first page of this Class Notice. See Section 4 of this Class Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendants. The Action accuses Defendants of violating California labor laws by failing to: (1) pay overtime wages; (2) provide meal periods and pay meal period premiums; (3) provide rest periods and pay rest period premiums; (4) pay minimum wages; (5) timely pay final wages; (6) provide compliant wage statements; (7) reimburse business expenses; and (8) comply with the requirements of Business & Professions Code section 17200, *et seq.* Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under Labor Code section 2698, *et seq.* (PAGA). Plaintiffs are represented by attorneys Douglas Han, Shunt Tatavos-Gharajeh, and Talia Lux of Justice Law Corporation.

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has made no determination whether Plaintiffs or Defendants is correct on the merits. In the meantime, the Parties hired an experienced, neutral mediator to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful following a full day of mediation. By signing the Joint Stipulation and Settlement Agreement ("Settlement Agreement," "Settlement," or "Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Settlement Agreement, the Parties have negotiated a settlement that is subject to the Court's Final Approval. Both sides agree the settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe: (1) Defendants agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the Settlement as fair, reasonable, and adequate, authorized this Class Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay \$850,000 as the Gross Settlement Amount. Defendants agreed to deposit the Gross Settlement Amount into an account controlled by the Settlement Administrator. The Settlement Administrator will use the Gross Settlement Amount to pay the Individual Settlement Shares, individual PAGA shares, Class Representative Enhancement Payments, Attorney Fee Award, Cost Award, Administration Costs, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”).
 - a. Assuming the Court grants Final Approval, no later than the Effective Final Settlement Date, Defendants shall deposit the Gross Settlement Amount by wiring the funds to the Settlement Administrator as well as any additional sums necessary to account for the employers’ share of payroll taxes.
 - i. If no objection to the settlement is made, the Effective Final Settlement Date is no later than twenty-one (21) calendar days after entry of the order granting final approval. If an objection is made but no appeal filed, the Effective Final Settlement Date will be no later than twenty-one (21) calendar days after the running of the appeal period. If an appeal is filed, the Effective Final Settlement Date will be no later than twenty-one (21) calendar days after the final judgment becomes final and is no longer subject to appeal. Defendants will have no obligation to pay the GSA unless and until the Court enters a final order approving the settlement, no objections or appeals are pending, and the appeal period is over.
2. Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - a. Up to \$297,500 (35% of the Gross Settlement Amount) to Class Counsel as their Attorney Fee Award and up to \$20,000 as their Cost Award. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - b. Up to \$10,000 to each Plaintiff (totaling \$20,000) as their Class Representative Enhancement Payments for filing the Action, working with Class Counsel, and effectively representing the Class. The Class Representative Enhancement Payments will be the only monies Plaintiffs will receive other than their Individual Settlement Shares and any individual PAGA share.
 - c. Up to \$15,000 to the Settlement Administrator as the Administration Costs for services administering the Settlement.

- d. Up to \$50,000 as the PAGA Payment, seventy-five percent (75%) of which (\$37,500) will be paid to the LWDA as the LWDA PAGA Payment and twenty-five percent (25%) of which (\$12,500) will be paid to the Aggrieved Employees as their individual PAGA share based on their pay periods during the PAGA Period.
3. Right to Object. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.
4. Net Settlement Amount Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Settlement Administrator will distribute the rest of the Gross Settlement Amount (“Net Settlement Amount”) to the Participating Class Members as their Individual Settlement Shares based on their workweeks.
5. Taxes Owed on Payments to Class Members. The Parties are asking the Court to approve an allocation of thirty percent (30%) of each Individual Settlement Share to taxable wages (“Wage Portion”) and seventy percent (70%) to interest, penalties, and reimbursements (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS Form W-2. Defendants will separately pay employer payroll taxes they owe on the Wage Portion. The individual PAGA shares are counted as penalties rather than wages for tax purposes. The Settlement Administrator will report the individual PAGA shares and Non-Wage Portions of the Individual Settlement Shares on IRS Form 1099.
 - a. While the Parties agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the settlement.
6. Need to Promptly Cash Payment Checks. The face of each check shall state checks that are not cashed within one hundred eighty (180) calendar days after the date of mailing will be voided. The Settlement Administrator will cancel all checks not cashed by the void date. For any Class Member whose Individual Settlement Share check or individual PAGA share check is uncashed and cancelled after the void date, the Settlement Administrator shall transmit the funds represented by such checks to the California Controller’s Unclaimed Property Fund in the name of the Class Member. If the monies represented by your check is sent to the California Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
7. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Settlement Administrator in writing that you wish to opt out. The easiest way to notify the Settlement Administrator is to send a completed Exclusion Form to the Settlement Administrator by [REDACTED]. Non-Participating Class Members will not receive Individual Settlement Shares but will preserve their rights to personally pursue wage and hour claims against Defendants.

- a. You cannot opt out of the PAGA portion of the Settlement. In other words, Non-Participating Class Members remain eligible for individual PAGA share and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.
8. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. The Parties agreed, in either case, the Settlement will be void: (a) Defendants will not pay any money; and (b) Class Members will not release any claims against Defendants.
9. Settlement Administrator. The Court has appointed a neutral company Phoenix Class Action Administration Solutions (“Settlement Administrator”) to send this Class Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Settlement Administrator will also decide Class Members’ challenges over workweeks, mail and remail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement Administrator’s contact information is contained in Section 9 of this Class Notice.
10. Participating Class Members’ Release. Upon the Effective Final Settlement Date, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement Agreement. This means unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or their related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by the Settlement Agreement. The Participating Class Members will be bound by the following release:
 - a. All claims alleged or that reasonably could have been alleged based on the factual allegations and legal assertions made in the Complaint and PAGA Notice that arose during the Class Period, including: (i) failure to pay overtime wages (including failure to properly calculate the regular rate of pay to those who worked overtime and earned incentive pay); (ii) meal period violations (including failure to pay meal period premiums at the regular rate of pay); (iii) rest period violations (including failure to pay rest period premiums at the regular rate of pay); (iv) failure to pay minimum wages; (v) failure to pay all final wages; (vi) failure to provide, complete, accurate or properly formatted wage statements; (vii) failure to reimburse business expenses and costs; (viii) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the Complaint; and (ix) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. The res judicata effect of the Judgment will be the same as that of the Release. The period of the Released Class Claims shall extend to the limits of the Class Period.

11. Aggrieved Employees' Release. Upon the Effective Final Settlement Date, all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who are Non-Participating Class Members, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA Period facts alleged in the Action and resolved by the Settlement. The Aggrieved Employees will be bound by the following release:

- a. All claims for PAGA penalties alleged or that reasonably could have been alleged based on the factual allegations and legal assertions made in Plaintiffs' PAGA Notice and Complaint that arose during the PAGA Period, including: (i) failure to pay overtime wages (including failure to properly calculate the regular rate of pay to those who worked overtime and earned incentive pay); (ii) meal period violations (including failure to pay meal period premiums at the regular rate of pay); (iii) rest period violations (including failure to pay rest period premiums at the regular rate of pay); (iv) failure to pay minimum wages; (v) failure to pay all final wages; (vi) failure to timely pay wages during employment; (vii) failure to provide, complete, accurate or properly formatted wage statements; and (viii) failure to reimburse business expenses and costs.

4. HOW WILL THE SETTLEMENT ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Settlement Shares. The Settlement Administrator will calculate Individual Settlement Shares as follows: (a) the number of weeks he or she worked as a Class Member during the Class Period; (b) divided by the total number of weeks collectively worked by all Class Members during the Class Period; (c) which is then multiplied by the Net Settlement Amount. The Settlement Administrator will use the Class Data to calculate the number of workweeks worked by each Class Member based on their dates of employment for purposes of this calculation.
2. Individual PAGA Shares. The Settlement Administrator will calculate individual PAGA shares as follows: (a) dividing the amount of the Aggrieved Employees' twenty-five percent (25%) share of PAGA Payment (\$12,500) by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's pay periods during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their portion of the PAGA Payment.
3. Workweek / Pay Period Challenges. The number of workweeks you worked during the Class Period and the number of pay periods you worked during the PAGA Period, as recorded in Defendants' records, are stated on the first page of this Class Notice. You have until [REDACTED] to challenge the number of workweeks and/or pay periods credited to you. You can submit your challenge by signing and sending a letter to the Settlement Administrator via mail, email, or fax. Section 9 of this Class Notice has the Settlement Administrator's contact information.

- a. You need to support your challenge by sending copies of pay stubs or other records. The Settlement Administrator will accept Defendants' calculation of workweeks and/or pay periods based on its records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve workweek and/or pay periods challenges based on your submission and based on input from Class Counsel and Counsel for Defendants. The Settlement Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Settlement Administrator will send, via first-class U.S. Mail, postage prepaid, a single check to every Participating Class Member, including those who also qualify as Aggrieved Employees. The single check will combine the Individual Settlement Share and individual PAGA share.
2. Non-Participating Class Members. The Settlement Administrator will send, via first-class U.S. Mail, postage prepaid, a single individual PAGA share check to every Aggrieved Employee who is a Non-Participating Class Member.
3. **Your check will be sent to the same address as this Class Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible. Section 9 of this Class Notice has the Settlement Administrator's contact information.**

6. HOW DO I OPT OUT OF THE CLASS SETTLEMENT?

Submit the completed Exclusion Form accompanied with this Class Notice to the Settlement Administrator. You must make the request yourself. If someone else makes the request for you, it will not be valid. You must send the completed Exclusion Form to the Settlement Administrator by [REDACTED], or it will be invalid. Section 9 of the Class Notice has the Settlement Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what the Parties are asking the Court to approve. At least sixteen (16) court days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court: (1) a Motion for Final Approval that includes, among other things, the reasons why the Settlement is fair; and (2) a Motion for Attorney Fee Award, Cost Award, and Class Representative Enhancement Payments stating: (a) the amount Class Counsel is requesting as the Attorney Fee Award and Class Counsel Litigation Expenses; and (b) the amount Plaintiffs are requesting as the Class Representative Enhancement Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Class Notice) will send you copies of these documents at no cost to you. You can also view these documents on the Settlement Administrator's website [REDACTED] or the Court's website <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Attorney Fee Award, Cost Award, and Class Representative Enhancement Payments may wish to object. The deadline for sending written objections to the Settlement Administrator is [REDACTED]. Be sure to state: (1) your full name, address, and telephone number; (2) the words “Notice of Objection” or “Formal Objection;” (3) describe, in clear and concise terms, the legal and factual arguments supporting your objection; (4) list identifying witness(es) you may call to testify at the Final Approval Hearing; and (v) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval Hearing. Section 9 of this Class Notice has the Settlement Administrator’s contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Class Notice for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don’t have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department S-14 of the San Bernardino County Superior Court located at 247 West Third Street, San Bernardino, California 92415. At the Final Approval Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiffs, and Settlement Administrator. The Court will invite comments from objectors, Class Counsel, and Counsel for Defendants before deciding.

It’s possible the Court will reschedule the Final Approval Hearing. You should check the Settlement Administrator’s website [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything the Parties have promised to do under the Settlement Agreement. The easiest way to read the Settlement Agreement, Judgment, or any other Settlement documents is to go to Settlement Administrator’s website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Settlement Administrator using the contact information listed below or consult the Court’s website by going to <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales> and entering the Case No. CIVSB2317702. You can also go to the Court in person at the address listed in Section 8 of this Class Notice and request copies of the court documents.

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Douglas Han
Shunt Tatavos-Gharajeh
Talia Lux
Justice Law Corporation
751 North Fair Oaks Ave., Suite 101
Pasadena, California 91103
(Tel) (818) 230-7502

(Fax) (818) 230-7259
dhan@JusticeLawCorp.com
statavos@JusticeLawCorp.com
tlux@JusticeLawCorp.com

Settlement Administrator: [SETTLEMENT ADMINISTRATOR]
[MAILING ADDRESS]
[TELEPHONE NUMBER]
[FAX NUMBER]
[EMAIL]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it if you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Controller's Unclaimed Property Fund at https://www.sco.ca.gov/search_upd.html for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Settlement Administrator if you move or otherwise change your mailing address.

EXHIBIT B

ELECTION NOT TO PARTICIPATE IN CLASS ACTION SETTLEMENT (“OPT OUT FORM”)

Superior Court of the State of California, County of San Bernardino
Evans, et al. v. Transcontinental Ontario Inc, et al.
Case No. CIVSB2317702 (Consolidated with Case No. CIVSB2331552)

ONLY SIGN AND MAIL THIS DOCUMENT IF YOU WISH TO EXCLUDE YOURSELF FROM THE CLASS PORTION OF THE SETTLEMENT. IF YOU EXCLUDE YOURSELF, YOU WILL NOT RECEIVE PAYMENT FROM THE CLASS PORTION OF THE SETTLEMENT.

This document must be postmarked no later than _____ and sent via U.S. Mail to:

Transcontinental Ontario Inc, et al. C/O [SETTLEMENT ADMINISTRATOR]
[Insert Administrator Address]
[City, State ZIP]

By signing and mailing this form to exclude yourself from the class portion of the settlement, you are agreeing to and confirming the following:

It is my decision not to participate in the class portion of the settlement in *Evans, et al. v. Transcontinental Ontario Inc, et al.* I understand that by excluding myself I will not receive a settlement payment from the class portion of the settlement.

I confirm that I am or was employed by Defendants as an hourly-paid or non-exempt employee within the State of California at any time between July 31, 2019 and _____. I confirm that I have received and reviewed the Notice of Class and Representative Action Settlement. I have decided to be excluded from the class portion of the settlement, and I have decided not to participate in the class portion of the settlement. I also understand that if I qualify as an Aggrieved Employee, I will still be deemed an Aggrieved Employee, will still be bound by the Private Attorneys General Act of 2004 (“PAGA”) portion of the Settlement, and will still receive my portion of the PAGA Payment.

Dated: _____

(Signature)

(Last Four Digits of Social Security Number)

(Type or print name and former name(s))

(Telephone Number)

(Address)

(Address continued)

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PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is jtorrez@justicelawcorp.com

On May 7, 2024, I served the foregoing document described as

JOINT STIPULATION AND SETTLEMENT AGREEMENT

for the following case: **Evans, et al. v. Transcontinental Ontario, Inc., et al.**
LWDA/Court Case No.: **LWDA Case No.: CM- 971591-23**
Court Case No.: CIVSB2331552
San Bernardino County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

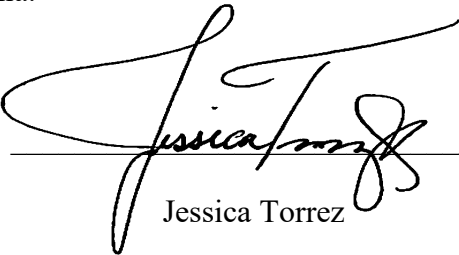
[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on May 7, 2024, at Pasadena, California.



Jessica Torrez