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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES
SPRING STREET COURTHOUSE

FERNANDO ALBERTO ACEVEDO,
individually, and on behalf of all others
similarly situated,

Plaintiff,

v.

CROCS RETAIL, LLC, a limited liability
company; and DOES 1 through 10,
inclusive,

Defendants.

CASE NO.: 23STCV15354

*Assigned for all purposes to the
Honorable Elihu Berle, Dept. 6*

**CLASS AND PAGA SETTLEMENT
AGREEMENT**

Action Filed: June 30, 2023

Trial Date: None Set

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Fernando Alberto Acevedo (“Acevedo”), Anthony Guzman (“Guzman”), Fernando Hipolito (“Hipolito”), and Vanessa Olmos-Cortes (“Olmos-Cortes”) (collectively, “Plaintiffs”) and defendant Crocs Retail, LLC (“Crocs”). The Agreement refers to Plaintiffs and Crocs collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS

1.1. “Action” means Plaintiffs’ lawsuits alleging wage-and-hour violations against Crocs, captioned *Fernando Alberto Acevedo v. Crocs Retail, LLC*, Case No. 23STCV15354, initiated on June 30, 2023 (the “Class Action”), and *Fernando Alberto Acevedo et al. v. Crocs Retail, LLC*, Case No. 24NNCV01096 (the “PAGA Action”), both of which are currently pending in the Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means the neutral entity the Parties have agreed to appoint to administer the Settlement, as set forth in Paragraph 9.1 herein.

1.3. “Administrator Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. “Aggrieved Employee” means a person employed as an hourly, non-exempt employee by Crocs in California during the PAGA Period.

1.5. “Class” means all persons employed as hourly, non-exempt employees by Crocs in California during the Class Period.

1.6. “Class Counsel” means Justin F. Marquez and Arrash T. Fattahi of the Wilshire Law Firm.

1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8. “Class List” means Class Member identifying information in Crocs’ custody, possession, or control, including Class Members’ respective (1) names; (2) last known mailing

addresses; (3) Social Security Numbers; (4) Workweeks; and (5) PAGA Pay Periods.

1.9. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from January 3, 2019, through the date of Preliminary Approval, unless Defendant exercises its option pursuant to Section 5.2, below.

1.13. “Class Representatives” means the named plaintiffs in the operative complaints in the Action seeking Court approval to serve as class representatives, namely, Acevedo, Guzman, Hipolito, and Olmos-Cortes, with each a “Class Representative.”

1.14. “Class Representative Service Payments” means the payments to Class Representatives for initiating the Action, providing services in support of the Action, and executing the general release of claims set forth herein.

1.15. “Court” means the Superior Court of California, County of Los Angeles.

1.16. “Defense Counsel” means Glenn L. Briggs, Kymberleigh Damron-Hsiao, and Stanley Stringfellow of Kading Briggs LLP.

1.17. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for

filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.18. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.19. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.20. “Gross Settlement Amount” means the total amount Crocs agrees to pay under the Settlement, except as provided in Paragraph 5, below. In addition to the Gross Settlement Amount, Crocs shall pay any and all employer payroll taxes owed on the portion of the Individual Class Payments allocated to settlement of wage claims (the “Wage Portion”). The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Expenses Payment, the Class Representative Service Payments, and the Administrator Expenses Payment.

1.21. “Individual Class Payment” means a Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.22. “Individual PAGA Payment” means an Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.23. “Judgment” means the judgment entered by the Court based upon Final Approval.

1.24. “LWDA” means the California Labor and Workforce Development Agency.

1.25. “LWDA PAGA Payment” means the 75% portion of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.26. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administrator Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.27. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.28. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Crocs for at least one day during the PAGA Period.

1.29. “PAGA Period” means the period from February 14, 2023, through the date of Preliminary Approval.

1.30. “PAGA” means the Private Attorneys General Act (Labor Code § 2698 *et seq.*).

1.31. “PAGA Notices” means Plaintiffs’ letters dated July 7, 2023, and March 1, 2024, to Crocs and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.32. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.

1.33. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.34. “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.

1.35. “Released Parties” means: Crocs and its former, present, and future owners, parents, affiliates, subsidiaries, officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, attorneys, accountants, insurers, reinsurers, and legal representatives.

1.36. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.37. “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the date the Response Deadline has expired.

1.38. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.39. “Workweek” means any week during which a Class Member worked for Crocs at least one day during the Class Period.

2. RECITALS

2.1. On June 30, 2023, Acevedo initiated the Class Action by filing a Class Action Complaint alleging eight causes of actions against Crocs for: (1) failure to pay minimum and straight-time wages; (2) failure to pay overtime wages; (3) failure to provide meal breaks or compensation in lieu thereof; (4) failure to provide rest breaks or compensation in lieu thereof; (5) failure to timely pay final wages; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for necessary business expenses; and (8) unfair competition.

2.2. On July 7, 2023, Acevedo and Guzman transmitted their PAGA Notice under Labor Code section 2699.3, stating their intention to serve as proxies of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations.

2.3. On March 1, 2024, Hipolito and Olmos-Cortes transmitted their PAGA Notice under Labor Code section 2699.3, stating their intention to serve as proxies of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations.

2.4. On April 19, 2024, after more than sixty-five (65) days had passed without any communication from the LWDA in response to Acevedo and Guzman’s PAGA Notice, Acevedo and Guzman initiated the PAGA Action by filing a PAGA Representative Action Complaint for civil penalties under the PAGA.

2.5. On May 6, 2024, after sixty-five (65) days had passed without any communication from the LWDA in response to Hipolito and Olmos-Cortes’ PAGA Notice, Acevedo and Guzman amended their PAGA Representative Action Complaint to add Hipolito and Olmos-Cortes as named plaintiffs and to expand Plaintiffs’ claim for reimbursement pursuant to Labor Code § 2802 to include unreimbursed mileage. Both the Class Action Complaint and First Amended PAGA Representative Action Complaint are, as of the execution of this Agreement, the operative complaints in the Class Action and PAGA Action, respectively.

2.6. Crocs denies the allegations in the operative complaints in the Action, denies any failure to comply with the laws identified in the operative complaints, and denies any and all liability for the causes of action alleged in the operative complaints.

2.7. On May 13, 2024, the Parties participated in an all-day mediation presided over by Steve Rottman, Esquire. The mediation was ultimately successful and the Parties agreed to globally resolve all class and PAGA claims in the Action.

2.8. Prior to mediation, Plaintiffs obtained, through informal discovery: (a) a statistically significant sampling of time and payroll records; (b) the estimated number of current and former putative Class Members, Aggrieved Employees, Workweeks, pay periods (including PAGA Pay Periods), and rates of pay for all Class Members; (c) wage-and-hour policy documents; (d) the number of meal period premiums paid; and (e) demographic data (*i.e.*, Workweeks, pay periods (including PAGA Pay Periods), shifts and shift length, meal period premiums paid, and non-discretionary compensation paid) for all Plaintiffs. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801, and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.9. The Court has not granted class certification.

2.10. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. NON-MONETARY TERMS

During the course of their investigation prior to mediation, Plaintiffs became aware of additional facts besides those alleged in the operative complaints in the Action that potentially support the theories of liability alleged therein. Therefore, to give full effect to the Settlement and the releases herein, within ten (10) business days after the Parties execute this Agreement, (a) the Parties shall file a stipulation requesting approval from the Court in the Class Action for Plaintiffs to file, in actual or substantial form, the proposed First Amended Class Action Complaint attached hereto as Exhibit B and incorporated by reference into this Agreement, which

will provide a single, unified action for purposes of Preliminary Approval, Final Approval, and the Class Members' Release of Claims; and (b) Plaintiffs shall file a request to dismiss the PAGA Action without prejudice. The First Amended Class Action Complaint shall become the "Operative Complaint" upon the Court's approval of the stipulation to file it. Crocs shall not be required to respond to the First Amended Class Action Complaint after it is filed (unless otherwise ordered by the Court) and Plaintiffs waive any right or remedy to seek default. Crocs agrees to Plaintiffs filing the proposed First Amended Class Action Complaint in the Class Action for settlement purposes only. In the event the Court does not approve the Settlement, the Parties agree that the First Amended Class Action Complaint Action shall be withdrawn and the Class Action Complaint will once more be the operative complaint of the Class Action. The Parties further agree that Plaintiffs may re-file their First Amended PAGA Representative Action Complaint without prejudice and that any applicable limitations periods will be deemed to have been tolled from the dismissal of the PAGA Action if the First Amended PAGA Representative Action is re-filed within 30 days of the Court's order denying approval of the Settlement.

4. MONETARY TERMS

4.1. Gross Settlement Amount. Except as otherwise provided by Section 5, below, Crocs promises to pay as the Gross Settlement Amount One Million Dollars and no cents (\$1,000,000.00) and to separately pay any and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments. Crocs has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Crocs.

4.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

4.2.1. To Plaintiffs: Class Representative Service Payments to Class Representatives of not more than \$7,500.00 each, in addition to any Individual Class Payments

1 and any Individual PAGA Payments that Class Representatives are entitled to receive as
2 Participating Class Members. Crocs will not oppose Plaintiffs' request for Class Representative
3 Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees
4 Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class
5 Representative Service Payments no later than 16 court days prior to the Final Approval Hearing.
6 If the Court approves any Class Representative Service Payments less than the amount requested,
7 the Administrator will retain the remainder in the Net Settlement Amount. The Administrator
8 will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full
9 responsibility and liability for any taxes owed on the Class Representative Service Payments and
10 will defend, indemnify, and hold Crocs harmless from any dispute or controversy regarding these
11 payments.

12 4.2.2. To Class Counsel: Class Counsel will request that the Court approve a
13 Class Counsel Fees Payment not to exceed one-third of the Gross Settlement Amount, which is
14 currently estimated to be \$333,333.33, and a Class Counsel Litigation Expenses Payment not to
15 exceed \$35,000.00. Crocs will not oppose requests for these payments provided that they do not
16 exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees
17 Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final
18 Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel
19 Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the
20 remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel
21 or any other counsel for Plaintiffs arising from any claim to any portion of the Class Counsel Fee
22 Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the
23 Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099
24 Forms. Class Counsel assume full responsibility and liability for taxes owed on the Class Counsel
25 Fees Payment and the Class Counsel Litigation Expenses Payment and will defend, indemnify,
26 and hold Crocs harmless from any dispute or controversy regarding any division or sharing of
27 any of these payments.
28

4.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$19,750.00, except for a showing of good cause and as approved by the Court. To the extent the Administrator's expenses are less or the Court approves payment less than \$19,750.00, the Administrator will retain the remainder in the Net Settlement Amount.

4.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

4.2.4.1. Tax Allocation of Individual Class Payments. 25% of each Participating Class Member's Individual Class Payment will be allocated to settlement of the Wage Portion. The Wage Portion of each Individual Class Payment will be subject to tax withholding and will be reported on an IRS W-2 Form. 75% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portion of Individual Class Payments will not be subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

4.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

4.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$10,000.00 to be paid from the Gross Settlement Amount, with 75% (\$7,500.00) allocated for the LWDA PAGA Payment and 25% (\$2,500.00) allocated for the Individual PAGA Payments.

4.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing \$2,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes

owed on their Individual PAGA Payments.

4.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

5. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

5.1. Class Workweeks and Aggrieved Employee PAGA Pay Periods. Based on a review of its records to date, Crocs estimates that the Class Members collectively worked a total of approximately 70,000 Workweeks between January 3, 2019, and May 13, 2024, and that the Aggrieved Employees worked a total of 9,537 PAGA Pay Periods between February 14, 2023, and May 13, 2024.

5.2. Escalator in the Event of Increase in Workweeks. In the event the number of Workweeks worked by Class Members between January 3, 2019, and the date of Preliminary Approval increases by more than 10%, or 7,000 Workweeks, then, at Defendant's sole and exclusive election, one of the following will occur:

5.2.1. The Gross Settlement Amount Will Increase. The Gross Settlement Amount shall increase proportionally by the number of Workweeks in excess of 77,000 Workweeks (70,000 Workweeks + 7,000 Workweeks) during the Class Period multiplied by the Workweek Value. The Workweek Value is \$14.28, calculated by dividing the originally agreed-upon Gross Settlement Amount (\$1,000,000.00) by 70,000. Thus, for example, should there be 80,000 Workweeks during the Class Period, then the Gross Settlement Amount shall increase by \$42,840 (which is 80,000 Workweeks – 77,000 Workweeks = 3,000 Workweeks x \$14.28). And/or,

5.2.2. The Class Period Will Shorten. The end date of the Class Period shall be moved to the last date before the number of Workweeks exceeds 77,000. Thus, for example, if the date of Preliminary Approval is January 17, 2025, and the number of Workweeks worked between January 3, 2019, and January 17, 2025, totals 77,100, but the number of Workweeks worked between January 3, 2019, and January 11, 2025 (the last day of the week before the date of Preliminary Approval) totals 76,850, then the end date of the Class Period shall be moved to

1 January 11, 2025.

2 **6. SETTLEMENT FUNDING AND PAYMENTS**

3 6.1. Class List. Not later than 21 days after the Court grants Preliminary Approval of
4 the Settlement, Crocs will deliver the Class List to the Administrator only in the form of a
5 Microsoft Excel spreadsheet. Class Counsel shall have no right to the Class List or any of the
6 data therein, except Class Counsel shall be provided the data of any individual Class Member
7 who contests the Settlement or disputes the amount of his or her Individual Class Payment or the
8 number of Workweeks or PAGA Pay Periods worked. To protect Class Members' privacy rights,
9 the Administrator must maintain the Class List in confidence, use the Class List only for purposes
10 of this Settlement and for no other purpose, and restrict access to the Class List to Administrator
11 employees who need access to the Class List to effect and perform under this Agreement. Crocs
12 has a continuing duty to immediately notify Class Counsel and the Administrator if it discovers
13 that the Class List omitted class member identifying information and to provide corrected or
14 updated Class List as soon as reasonably feasible. Without any extension of the deadline by
15 which Crocs must send the Class List to the Administrator, the Parties and their counsel will
16 expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues relating
17 to missing or omitted Class List.

18 6.2. Funding of Gross Settlement Amount. Crocs shall fully fund the Gross Settlement
19 Amount and the amounts necessary to fully pay Crocs' share of payroll taxes by transmitting the
20 funds to the Administrator no later than 30 days after the Effective Date.

21 6.3. Payments from the Gross Settlement Amount. Within 7 days after Crocs funds
22 the Gross Settlement Amount and the amounts necessary to fully pay Crocs' share of payroll
23 taxes, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA
24 Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel
25 Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of
26 the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
27 Representative Service Payments shall not precede disbursement of the Individual Class
28 Payments and the Individual PAGA Payments.

6.3.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to Participating Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees (including Non-Participating Class Members who qualify as Aggrieved Employees and including those for whom Class Notice was returned undelivered). For Participating Class Members who are also Aggrieved Employees, the Administrator may send a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

6.3.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without a USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced if requested by the Class Member prior to the void date.

6.3.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subd. (b).

6.3.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Crocs to confer any additional benefits or make any additional

1 payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in
2 this Agreement.

3 **7. RELEASE OF CLAIMS**

4 Effective on the date when Crocs fully funds the entire Gross Settlement Amount and all
5 employer payroll taxes owed on the Wage Portion of Individual Class Payments, Plaintiffs, Class
6 Members, and Class Counsel will release claims against all Released Parties as follows:

7 7.1. Class Representatives' Release. Plaintiffs and their respective present and former
8 spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns
9 generally release and discharge Released Parties from all claims, transactions, or occurrences,
10 including, but not limited to all claims, including PAGA claims, that were, or reasonably could
11 have been, alleged based on the facts contained in the Operative Complaint, all prior pleadings in
12 the Action, and the PAGA Notices or that were ascertained during the Action and released under
13 Paragraph 7.2, below ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or
14 actions to enforce this Agreement or to any claims for vested benefits, unemployment benefits,
15 disability benefits, social security benefits, or workers' compensation benefits that arose at any
16 time or that are based on occurrences outside the Class Period. Plaintiffs acknowledge that they
17 might discover facts or law different from, or in addition to, the facts or law that Plaintiffs now
18 know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain
19 effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery
20 of them.

21 7.1.1. Class Representatives' Waiver of Rights Under California Civil Code
22 Section 1542. For purposes of Plaintiffs' Release only, Plaintiffs expressly waive and relinquish
23 the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which
24 reads:

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

1 **with the debtor or released party.**

2 7.2. Release by Participating Class Members. All Participating Class Members, on
3 behalf of themselves and their respective present and former spouses, representatives, agents,
4 attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties
5 from all claims, debts, liabilities, demands, obligations, guarantees, actions, or causes of action
6 of whatever kind or nature during the Class Period, whether known or unknown, that were alleged
7 in the Operative Complaint or that reasonably could have been alleged, based on the facts stated
8 in the Operative Complaint and that were ascertained in the course of the Action, including those
9 arising out of or related to: (1) all claims for failure to pay minimum, straight-time, and/or overtime
10 wages for all hours worked, including all off-the-clock time both before clocking in for a shift,
11 after clocking out for meal periods, and after clocking out at the end of shift; (2) all claims for
12 failure to provide compliant meal periods or compensation in lieu thereof; (3) all claims for failure
13 to authorize and permit compliant rest periods or compensation in lieu thereof; (4) all claims for
14 failure to pay overtime, meal and/or rest period compensation, and/or sick pay at the regular rate
15 of pay; (5) all claims for failure to timely pay wages due upon termination or resignation of
16 employment; (6) all claims for failure to pay wages due upon regularly-scheduled paydays; (7) all
17 claims for non-compliant wage statements; (8) all claims for failure to reimburse necessary
18 business expenses; and (9) all claims asserted through California Business & Professions Code
19 section 17200 *et seq.* arising out of the Labor Code violations referenced in the Operative
20 Complaint (the “Released Claims”). The Released Claims include all related claims of any kind
21 for unpaid wages, premium pay, liquidated damages, statutory penalties, civil penalties,
22 restitution, interest, injunctive relief, punitive damages, and other damages, costs, expenses,
23 and attorneys’ fees arising from the alleged violation of any provision of common or statutory
24 law that were or reasonably could have been raised as part of Plaintiffs’ claims in the Operative
25 Complaint, including but not limited to claims under California Labor Code sections 201, 202,
26 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 246 *et seq.*, 510, 512, 558, 1174, 1174.5, 1194,
27 1194.2, 1197, 1197.1, 1198, 2698 *et seq.*, 2800, and 2802, all provisions of the California
28

1 Industrial Welfare Commission Wage Orders that provide the same or similar protections, and
2 section 17200 *et seq.* of the California Business and Professions Code.

3 7.2.1. Except as set forth in Section 7.3 of this Agreement, Participating Class
4 Members do not release by virtue of this Agreement any other claims, including claims for vested
5 benefits, wrongful termination, violation of the Fair Employment and Housing Act,
6 unemployment insurance, disability, social security, workers' compensation, or claims based on
7 facts occurring outside the Class Period. The foregoing exception shall have no effect on the
8 releases of claims that Class Members and Aggrieved Employees have agreed to in other executed
9 agreements.

10 7.2.2. Plaintiffs and each Participating Class Member acknowledge that the
11 Released Claims in Paragraph 7.2 above are also intended to include in their effect the release of
12 all Released Claims whether or not each Plaintiff and/or any Participating Class Member knows
13 or suspects them to exist. With respect to the Released Claims, Plaintiffs and Participating Class
14 Members may hereafter discover facts or legal arguments in addition to or different from those
15 they now know or currently believe to be true with respect to the claims and causes of action in
16 this case which are the subject matter of the Released Claims. Regardless, the discovery of new
17 facts or legal arguments shall in no way limit the scope or definition of the Released Claims and,
18 by virtue of this Agreement, Plaintiffs and Participating Class Members shall be deemed to have,
19 and by operation of the Judgment shall have, fully, finally, and forever settled and released all of
20 the Released Claims as defined above.

21 7.3. Release by Aggrieved Employees. All Aggrieved Employees, on behalf of
22 themselves and their respective present and former spouses, representatives, agents, attorneys,
23 heirs, administrators, successors, and assigns, are deemed to release and discharge the Released
24 Parties from all claims for any and all PAGA remedies during the PAGA Period that were alleged
25 in, or reasonably could have been alleged in, or that were based on, arise from, or relate to the
26 facts stated in the Operative Complaint, the PAGA Notices, and that were ascertained in the
27 course of the Action, including any right, claim, or demand for civil penalties pursuant to Labor
28 Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699 in connection with alleged violations of

Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 246 *et seq.*, 510, 512, 1174, 1194, 1194.2, 1197, 1198, 2800, and 2802, all provisions of the California Industrial Welfare Commission Wage Orders that provide the same or similar protections, and section 17200 *et seq.* of the California Business and Professions Code. Plaintiffs and Aggrieved Employees will be bound by this release of PAGA claims even if they, or any of them, request to be excluded from the Settlement in accordance with Paragraph 9.5, below.

8. MOTION FOR PRELIMINARY APPROVAL

The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals as follows:

8.1. Crocs’ Declaration in Support of Preliminary Approval. Within 14 days of full execution of this Agreement, Crocs will prepare and deliver to Class Counsel a signed declaration from Crocs and/or Defense Counsel (i) identifying any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement or (ii) averring that they are not aware of any such other pending matters or actions.

8.2. Class Representatives’ Responsibilities. Plaintiffs will prepare and to deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA components of the Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed order both for Preliminary Approval and for approval of the PAGA-portion of the Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to (1) its willingness to serve, (2) its competency, (3) its operative procedures for protecting the security of Class List, (4) the amounts of insurance coverage for any data breach, defalcation of funds, or other misfeasance, (5) all facts relevant to any actual or potential conflicts of interest with Class Members, and (6) the nature and extent of any financial relationship with Plaintiffs, Class Counsel, or Defense Counsel; (v) signed declarations from Plaintiffs confirming their willingness and competency to serve and

disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (vi) a signed declaration from Class Counsel attesting to their competency to represent the Class Members, their timely transmission to the LWDA of all necessary PAGA documents, including the initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), and this Agreement (Labor Code section 2699, subd. (1)(2)); (vii) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiffs and Class Counsel shall either (i) identify any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement or (ii) aver that they are not aware of any such other pending matters or actions.

8.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval not later than 30 days after the full execution of this Agreement, obtaining a prompt hearing date for the Motion for Preliminary Approval, and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

8.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to modify the Agreement and otherwise satisfy the Court's concerns.

9. SETTLEMENT ADMINISTRATION

9.1. Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, CPT Group, Inc.

1 agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this
2 Agreement in exchange for the Administrator Expenses Payment. The Parties and their Counsel
3 represent that they have no interest or relationship, financial or otherwise, with the Administrator
4 other than perhaps a professional relationship arising out of prior experiences administering
5 settlements.

6 9.2. Employer Identification Number. The Administrator shall have and use its own
7 Employer Identification Number for purposes of calculating payroll tax withholdings and
8 providing reports to state and federal tax authorities.

9 9.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund
10 that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury
11 Regulation section 468B-1.

12 9.4. Notice to Class Members

13 9.4.1. No later than three (3) business days after receipt of the Class List, the
14 Administrator shall notify Class Counsel that the list has been received and state the number of
15 Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class List.

16 9.4.2. Using best efforts to perform as soon as possible, and in no event later than
17 14 days after receiving the Class List, the Administrator will send to all Class Members identified
18 in the Class List, via first-class United States Postal Service (“USPS”) mail, the Class Notice,
19 substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice
20 shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual
21 PAGA Payment payable to the Class Member and the number of Workweeks and PAGA Pay Periods
22 (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall
23 update Class Member addresses using the National Change of Address database.

24 9.4.3. Not later than 3 business days after the Administrator’s receipt of any Class
25 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
26 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
27 address, the Administrator shall conduct a Class Member Address Search and re-mail the Class
28 Notice to the most current address obtained. The Administrator has no obligation to make further

1 attempts to locate or send the Class Notice to Class Members whose Class Notice is returned by
2 the USPS a second time.

3 9.4.4. The deadlines for Class Members' written objections, challenges to
4 Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional
5 15 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose
6 notice is re-mailed. The Administrator will inform the Class Member of the extended deadline
7 with the re-mailed Class Notice.

8 9.4.5. If the Administrator, Crocs, Defense Counsel, or Class Counsel is
9 contacted by or otherwise discovers any person who believes he or she should have been included
10 in the Class List and should have received Class Notice, the Parties will expeditiously meet and
11 confer in person or by telephone and in good faith in an effort to agree on whether to include them
12 as Class Members. If the Parties agree, such persons will be Class Members entitled to the same
13 rights as other Class Members and the Administrator will send, via email or overnight delivery, a
14 Class Notice requiring them to exercise options under this Agreement not later than 15 days after
15 receipt of the Class Notice or the deadline dates in the Class Notice, whichever are later.

16 9.5. Requests for Exclusion (Opt-Outs).

17 9.5.1. Class Members who wish to exclude themselves from (opt-out of) the class
18 action components of the Settlement must send the Administrator, by mail, a signed written
19 Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus
20 an additional 15 days for Class Members whose Class Notice is re-mailed). A Request for
21 Exclusion is a letter from a Class Member or his/her representative that reasonably communicates
22 the Class Member's election to be excluded from the Settlement and includes the Class Member's
23 name, address, and email address and/or telephone number. To be valid, a Request for Exclusion
24 must be timely postmarked by the Response Deadline.

25 9.5.2. The Administrator may not reject a Request for Exclusion as invalid
26 because it fails to contain all the information specified in the Class Notice. The Administrator
27 shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the
28 identity of the person as a Class Member and the Class Member's desire to be excluded. The

1 Administrator's determination shall be final and not appealable or otherwise susceptible to
2 challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion,
3 the Administrator may demand additional proof of the Class Member's identity. The
4 Administrator's determination of authenticity shall be final and not appealable or otherwise
5 susceptible to challenge.

6 9.5.3. Every Class Member who does not submit a timely and valid Request for
7 Exclusion is deemed to be a Participating Class Member under this Agreement and consequently
8 entitled to all benefits, and bound by all terms and conditions, of the Settlement, including the
9 Participating Class Members' Releases under Paragraphs 7.2 and 7.3 of this Agreement, whether
10 or not the Participating Class Member actually receives the Class Notice or objects to the
11 Settlement.

12 9.5.4. Every Class Member who submits a valid and timely Request for
13 Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment
14 or have the right to object to the class action components of the Settlement. However, Class
15 Members who are Aggrieved Employees cannot exclude themselves from the PAGA components
16 of the Settlement. Consequently, because future PAGA claims are subject to claim preclusion
17 upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees
18 are deemed to release the claims identified in Paragraph 7.3 of this Agreement (even if they submit
19 a valid and timely Request for Exclusion) and are eligible for an Individual PAGA Payment.

20 9.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days
21 after the Administrator mails the Class Notice (plus an additional 15 days for Class Members
22 whose Class Notice is re-mailed) to challenge the number of Workweeks and PAGA Pay Periods
23 (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the
24 allocation by communicating with the Administrator via fax, email, or mail. The Administrator
25 must encourage the challenging Class Member to submit supporting documentation. In the
26 absence of any contrary documentation, the Administrator is entitled to presume that the
27 Workweeks contained in the Class Notice are correct so long as they are consistent with the Class
28 List. The Administrator's determination of each Class Member's allocation of Workweeks and/or

PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

9.7. Objections to Settlement

9.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement and/or amounts requested for the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and/or the Class Representative Service Payments.

9.7.2. Participating Class Members may send written objections to the Administrator by mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-mailed).

9.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

9.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

9.8.1. Website, Email Address, and Toll-Free Number. The Administrator will maintain and use an internet website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payments, the Final Approval, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

9.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator

1 will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not
2 later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the
3 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
4 and other identifying information of Class Members who have timely submitted valid Requests
5 for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class
6 Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for
7 Exclusion from Settlement submitted (whether valid or invalid).

8 9.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide
9 written reports to Class Counsel and Defense Counsel that, among other things, tally the number
10 of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for
11 Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks
12 and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class
13 Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include
14 the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all
15 Requests for Exclusion and objections received (if any).

16 9.8.4. Workweek and/or Pay Period Challenges. The Administrator has the
17 authority to address and make final decisions consistent with the terms of this Agreement on all
18 Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The
19 Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

20 9.8.5. Administrator’s Declaration. Not later than 5 days before the date by
21 which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the
22 Administrator will provide to Class Counsel and Defense Counsel a signed declaration suitable
23 for filing in Court attesting to its due diligence and compliance with all of its obligations under
24 this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices
25 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
26 total number of Requests for Exclusion from Settlement it received (both valid or invalid), and
27 the number of written objections and attach the Exclusion List. The Administrator will
28 supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel

1 is responsible for filing the Administrator's declaration(s) in Court.

2 9.8.6. Final Report by Settlement Administrator. Within 10 days after the
3 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
4 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
5 identification number only of all payments made under this Agreement. At least 7 days before
6 any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and
7 Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of
8 all payments required under this Agreement. Class Counsel is responsible for filing the
9 Administrator's declaration in Court.

10 **10. CROCS' RIGHT TO WITHDRAW**

11 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5%
12 of the total of all Class Members, Crocs may elect to withdraw from the Settlement. The Parties
13 agree that, if Crocs withdraws, the Settlement shall be void *ab initio*, have no force or effect
14 whatsoever, and that neither Party will have any further obligation to perform under this
15 Agreement; provided, however, Crocs will remain responsible for paying all settlement
16 administration expenses incurred to that point. Crocs must notify Class Counsel and the Court of
17 its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List
18 to Defense Counsel; late elections will have no effect.

19 **11. MOTION FOR FINAL APPROVAL**

20 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will
21 file in Court a motion for final approval of the Settlement that includes a request for approval of
22 the PAGA components of the Settlement under Labor Code section 2699, subd. (l), a proposed
23 Final Approval, and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs
24 shall provide drafts of these documents to Defense Counsel not later than 7 days prior to filing
25 the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and
26 confer in good faith to resolve any disagreements concerning the Motion for Final Approval.

27 11.1. Response to Objections. Each Party retains the right to respond to any objection
28 raised by a Participating Class Member, including the right to file responsive documents in Court,

1 not later than 5 court days prior to the Final Approval Hearing or as otherwise ordered or accepted
2 by the Court.

3 11.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
4 Approval on any material change to the Settlement (including, but not limited to, the scope of
5 release to be granted by Class Members), the Parties will expeditiously work together in good
6 faith to address the Court's concerns by revising the Agreement as necessary to obtain Final
7 Approval. The Court's decision to award less than the amounts requested for the Class
8 Representative Service Payments, the Class Counsel Fees Payment, the Class Counsel Litigation
9 Expenses Payment, and/or the Administrator Expenses Payment shall not constitute a material
10 modification to the Agreement within the meaning of this paragraph.

11 11.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of
12 Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely
13 for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
14 administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

15 11.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms
16 and conditions of this Agreement, specifically including the Class Counsel Fees Payment and
17 Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their
18 respective counsel, and all Participating Class Members who did not object to the Settlement as
19 provided in this Agreement waive all rights to appeal from the Judgment, including all rights to
20 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions
21 for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver
22 of the right to oppose such motions, writs, or appeals. If an objector appeals the Judgment, the
23 Parties' obligations to perform under this Agreement will be suspended until such time as the
24 appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect
25 the amount of the Net Settlement Amount.

26 11.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If
27 appealed and the reviewing Court vacates, reverses, or modifies the Judgment in a manner that
28 requires a material modification of this Agreement (including, but not limited to, the scope of

release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional settlement administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and/or the Administrator Expenses Payment shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS

13.1. No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Crocs or any of the other Released Parties that any of the allegations in the Operative Complaint have merit or that Crocs or the Released Parties have any liability for any claims asserted, nor should it be intended or construed as an admission by Plaintiffs that Crocs' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Crocs reserves the right to contest certification of any class for any reasons and reserve all available defenses to the claims in the Action and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Crocs' defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

13.2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Crocs,

1 and Defense Counsel separately agree that, until the Motion for Preliminary Approval of
2 Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize, or cause
3 or permit another person to disclose, disseminate, or publicize, any of the terms of the Agreement,
4 directly or indirectly, specifically or generally, to any person, corporation, association,
5 government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses,
6 all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related
7 matter (if any); (3) to the extent necessary to report income to appropriate taxing authorities; (4) in
8 response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a
9 state or federal government agency. Each Party agrees to immediately notify each other Party of
10 any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class
11 Counsel, Crocs, and Defense Counsel separately agree not to, directly or indirectly, initiate any
12 conversation or other communication before the filing of the Motion for Preliminary Approval
13 with any third party regarding this Agreement or the matters giving rise to this Agreement, except
14 to respond only that "the matter was resolved" or words to that effect. This paragraph does not
15 restrict Class Counsel's communications with Class Members in accordance with Class Counsel's
16 ethical obligations owed to Class Members.

17 13.3. No Solicitation. The Parties separately agree that they and their respective counsel
18 and employees will not solicit any Class Member to opt out of or object to the Settlement or
19 appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class
20 Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical
21 obligations owed to Class Members.

22 13.4. Integrated Agreement. Upon execution by all Parties and their counsel, this
23 Agreement together with its attached exhibits shall constitute the entire agreement between the
24 Parties relating to the Settlement, superseding any and all oral representations, warranties,
25 covenants, or inducements made to or by any Party.

26 13.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant
27 and represent that they are authorized by Plaintiffs and Crocs, respectively, to take all appropriate
28 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate

1 its terms and to execute any other documents reasonably required to effectuate the terms of this
2 Agreement, including any amendments to this Agreement.

3 13.6. Cooperation. The Parties and their counsel will cooperate with each other and
4 use their best efforts, in good faith, to implement the Settlement by, among other things,
5 modifying the Settlement Agreement, submitting supplemental evidence, and supplementing
6 points and authorities as requested by the Court. In the event the Parties are unable to agree upon
7 the form or content of any document necessary to implement the Settlement or on any
8 modification of the Agreement that may become necessary to implement the Settlement, the
9 Parties will seek the assistance of a mediator and/or the Court for resolution.

10 13.7. No Prior Assignments. The Parties separately represent and warrant that they have
11 not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
12 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
13 action, or right released and discharged by the Party in this Settlement.

14 13.8. No Tax Advice. Neither Plaintiffs (or any of them) nor Class Counsel nor Cross
15 nor Defense Counsel have provided or are providing any advice regarding taxes or taxability and
16 nothing in this Agreement shall be relied upon as such within the meaning of United States
17 Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

18 13.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
19 modified, changed, or waived only by an express written instrument signed by all Parties or their
20 representatives and approved by the Court.

21 13.10. Agreement Binding on Successors. This Agreement will be binding upon, and
22 inure to the benefit of, the successors of each of the Parties.

23 13.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will
24 be governed by and interpreted according to the internal laws of the state of California, without
25 regard to conflict of law principles.

26 13.12. Cooperation in Drafting. The Parties have cooperated in the drafting and
27 preparation of this Agreement. This Agreement will not be construed against any Party on the
28 basis that the Party was the drafter or participated in the drafting.

1 13.13. Confidentiality. To the extent permitted by law, all agreements made and orders
2 entered during the Action and in this Agreement relating to the confidentiality of information
3 shall survive the execution of this Agreement

4 13.14. Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid.
5 Code § 1152 and all copies and summaries of the Class-related data and documents provided to
6 Class Counsel by Crocs in connection with the mediation, other settlement negotiations, or in
7 connection with the Settlement (hereafter, "Class Data") may be used only with respect to this
8 Settlement and for no other purpose and may not be used in any way that violates any existing
9 contractual agreement, statute, or rule of court. Class Counsel shall not be required to return or
10 destroy any copies of Class Data but shall be required to take all reasonable steps to maintain the
11 confidentiality and security of such documents and information. Furthermore, neither Plaintiffs
12 (or any of them) nor Class Counsel shall produce, disclose, transmit, or otherwise share Class
13 Data with any third party without providing at least 10 days' written notice to Crocs and Defense
14 Counsel. Moreover, they shall notify Crocs within 48 hours of their receipt of any demand by
15 subpoena or in discovery for production of same and shall refrain from producing Class Data in
16 response to such demands absent a court order.

17 13.15. Headings. The descriptive heading of any section or paragraph of this Agreement
18 is inserted for convenience of reference only and does not constitute a part of this Agreement.

19 13.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
20 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
21 weekend or federal legal holiday, such date or deadline shall be on the first business day
22 thereafter.

23 13.17. Notice. All notices, demands, or other communications between the Parties in
24 connection with this Agreement will be in writing and deemed to have been duly given as of the
25 third business day after mailing by United States mail or the day sent by email or messenger,
26 addressed as follows:

27 To Plaintiffs:

28 **WILSHIRE LAW FIRM**

Justin F. Marquez
justin@wilshirelawfirm.com
Arrash T. Fattahi
afattahi@wilshirelawfirm.com
3055 Wilshire Boulevard, 12th Floor
Los Angeles, California 90010
Tel: (213) 381-9988; Fax: (213) 381-9989

To Crocs:

KADING BRIGGS LLP
Glenn L. Briggs
gbriggs@kadingbriggs.com
Kymberleigh Damron-Hsiao
kdh@kadingbriggs.com
Stanley G. Stringfellow II
sgs@kadingbriggs.com
100 Spectrum Center Drive, Suite 800
Irvine, California 92618
Tel: (949) 450-8040

13.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email, which, for purposes of this Agreement, shall be accepted as an original. 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 signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.19. Stay of Litigation. The Parties agree that, upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree, pursuant to California Code of Civil Procedure section 583.330, to extend the date to bring a case to trial under section 583.310 for the entire period of this settlement process.

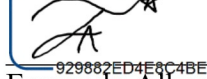
13.20. Severability. In the event that one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

[CONTINUED ON FOLLOWING PAGE]

IT IS SO AGREED:

Date: 12/17/2024

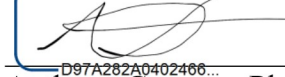
DocuSigned by:



Fernando Alberto Acevedo, Plaintiff

Date: 12/17/2024

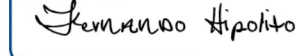
Signed by:



Anthony Guzman, Plaintiff

Date: 12/23/2024

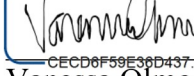
Signed by:



Fernando Hipolito, Plaintiff

Date: 12/18/2024

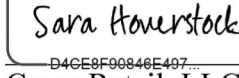
DocuSigned by:



Vanessa Olmos-Cortes, Plaintiff

Date: 12/17/2024

DocuSigned by:



Crocs Retail, LLC, Defendant

By: Sara Hoverstock

Date: 12/23/2024

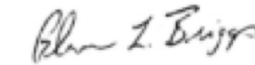


Justin F. Marquez

Arrash T. Fattahi

Counsel for Plaintiffs

Date: 12/17/2024



Glenn L. Briggs

Kymberleigh Damron-Hsiao

Stanley G. Stringfellow II

Counsel for Defendant

EXHIBIT A

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE
FOR FINAL APPROVAL HEARING**

Acevedo, et al. v. Crocs Retail, LLC

(County of Los Angeles, California Superior Court Case No. 23STCV15354)

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

You may be eligible to receive money from an employee class action lawsuit (the “Action”) against Crocs Retail, LLC (“Defendant”), for alleged wage-and-hour violations. The Action was filed by former employees of Defendant, Fernando Alberto Acevedo (“Plaintiff Acevedo”), Anthony Guzman (“Plaintiff Guzman”), Fernando Hipolito (“Plaintiff Hipolito”), and Vanessa Olmos-Cortes (“Plaintiff Olmos-Cortes”) (collectively referred to as “Plaintiffs”) and seeks payment of (1) allegedly unpaid back wages and related penalties for a class of non-exempt hourly employees (“Class Members”) who worked for Defendant during the Class Period of January 3, 2019, through January 17, 2025; and (2) additional penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt hourly employees who worked for Defendant during the PAGA Period from February 14, 2023, through January 17, 2025 (“Aggrieved Employees”).

The proposed settlement has two main parts: (1) a Class Settlement requiring Defendant to fund “Individual Class Payments” and (2) a PAGA Settlement requiring Defendant to fund “Individual PAGA Payments” and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). The Class Settlement and the PAGA Settlement are collectively referred to herein as the “Settlement.”

Your Individual Class Payment is estimated to be \$_____ (less withholdings) and your Individual PAGA Payment is estimated to be \$_____. The actual amount you may receive will likely be different and will depend on a number of factors, which is explained in more detail in Section 4E of this Notice. The above estimates are based on Defendant’s records that show you worked _____ **workweeks** during the Class Period and _____ **pay periods** during the PAGA Period.

While the Court has already preliminarily approved the Settlement, it has not yet decided whether to grant final approval of the Settlement. **A final approval hearing (“Final Approval Hearing”) regarding the Settlement will be held on ___, 2025, at _____ a.m./p.m. at the Spring Street Courthouse of the Los Angeles County Superior Court of the State of California, Department 6, located at 312 North Spring Street, Los Angeles, California 90012.** The Court will determine at the hearing whether the Settlement is fair, reasonable, and adequate, whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant. The Court will also decide how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”).

Read this Notice carefully. You will be deemed to have carefully read and understood it. Your legal rights are affected whether you act or not.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the Settlement to be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a “Participating Class Member,” though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from (opt out of) the Class Settlement by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt out of the Class Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class

Period wage claims against Defendant and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt out of the PAGA Settlement.

Defendant will not retaliate against you for any actions you take with respect to the Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND PARTICIPATE IN THE SETTLEMENT	You don't have to do anything to participate in the Settlement. If you do nothing, you will be a "Participating Class Member" and eligible for an Individual Class Payment and an Individual PAGA Payment (if any). As a "Participating Class Member," though, you will give up your right to assert the claims for unpaid wages and penalties against Defendant that are covered by this Settlement (the "Released Claims").
YOU CAN OPT OUT OF THE CLASS ACTION SETTLEMENT BUT NOT THE PAGA SETTLEMENT THE OPT-OUT DEADLINE IS 	If you want to preserve your right to personally pursue Class Period wage claims against Defendant, you can exclude yourself from, or opt out of, the Class Settlement by sending the Administrator (defined in Section 4B, below) a written Request for Exclusion (defined in Section 5D, below). Once excluded, you will be a "Non-Participating Class Member" and will not be eligible for an Individual Class Payment. As a Non-Participating Class Member, you also cannot object to any portion of the Settlement. If you opt out of the Class Settlement, your share of the non-PAGA Settlement proceeds may be divided up amongst the Participating Class Members. See Section 5D of this Notice for additional information. Legally, you cannot opt out of the PAGA Settlement. Consequently, if you opt out of the Class Settlement but you are an Aggrieved Employee, you will still receive an Individual PAGA Payment and you will give up your rights as a matter of law to pursue PAGA claims during the PAGA Period.
PARTICIPATING CLASS MEMBERS CAN OBJECT TO THE CLASS SETTLEMENT WRITTEN OBJECTIONS MUST BE SUBMITTED BY 	Any Participating Class Members may object to the any aspect of the Class Settlement. The Court's decision whether to grant final approval of the Settlement will include a determination of how much will be paid to Plaintiffs and to Class Counsel who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, however, every dollar paid to them reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Plaintiffs and/or Class Counsel if you think they are unreasonable. See Section 5C of this Notice.
YOU CAN CHALLENGE THE CALCULATION OF YOUR WORKWEEKS/PAY	The amount of your Individual Class Payment and Individual PAGA Payment (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 in the Class Period and the number of pay periods in the

PERIODS WRITTEN CHALLENGES MUST BE SUBMITTED BY 	PAGA Period you worked according to Defendant's records are stated on the first page and on Section 4E of this Notice. If you disagree with either of these numbers, you may challenge it by _____, 2025. See Section 5B of this Notice. Any dispute as to the number of workweeks and/or pay periods must be in writing. Defendant's records will be presumed accurate so you must include proof substantiating your dispute. The Administrator will investigate and determine if the dispute appears to be valid.
YOU CAN PARTICIPATE IN THE FINAL APPROVAL HEARING, SCHEDULED FOR 	The Court's Final Approval Hearing is scheduled to take place on _____. You do not 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, by telephone, or by using the Court's virtual appearance platform. See Section 7A of this Notice.

1. WHAT IS THE PURPOSE OF THIS NOTICE?

Plaintiff Acevedo initiated a putative class action on June 30, 2023, known as *Fernando Alberto Acevedo v. Crocs Retail, LLC*, in Los Angeles County Superior Court, Case Number 23STCV15354, against Crocs Retail, LLC (the "Class Action"). On April 19, 2024, Plaintiff Acevedo and Plaintiff Guzman initiated a separate representative action for civil penalties under the PAGA known as *Fernando Alberto Acevedo, et al. v. Crocs Retail, LLC*, in Los Angeles County Superior Court, Case No. 24NNCV01096, against Defendant, which they later amended to add Plaintiff Hipolito and Plaintiff Olmos-Cortes as named plaintiffs in that action (the "PAGA Action"). Plaintiffs and Defendant have reached a global settlement of both actions on behalf of non-exempt employees who worked for Defendant at any time between January 3, 2019, and January 17, 2025. As a condition of settlement, the parties agreed to combine the Class Action and the PAGA Action into a single, consolidated lawsuit (the "Action") by (1) amending the complaint in the Class Action, which is now the "Operative Complaint," to add Plaintiff Guzman, Plaintiff Hipolito, and Plaintiff Olmos-Cortes as named plaintiffs and a cause of action for recovery of civil penalties under the PAGA; and (2) dismissing the PAGA Action. Judge Elihu Berle in Department 6 of the Los Angeles County Superior Court is overseeing the Action and this Settlement. Defendant's records indicate that you are a Class Member covered by this Settlement.

2. WHAT IS THE ACTION ABOUT?

The Action alleges that Defendant violated California labor laws (and the related Industrial Wage Order) by failing to pay regular, minimum, and overtime wages, failing to provide lawful meal and rest periods or pay premium wages for unprovided meal and rest periods, failing to pay all wages when due or upon termination of employment, failing to pay reimbursable expenses, and failing to provide accurate itemized wage statements. Based on these same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (California Labor Code §§ 2698, *et seq.*) Plaintiffs are represented by Class Counsel, namely, Justin F. Marquez, Esq., Arrash T. Fattahi, Esq., and Arman A. Salehi, Esq., of Wilshire Law Firm.

You can read Plaintiffs' allegations as stated in the Operative Complaint, which is available at ____ [Administrator's website].

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

The Court has not decided whether Defendant or Plaintiffs are correct. Defendant and Plaintiffs

reached a settlement by mediating this Action with an experienced neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. By signing a written settlement agreement (the “Settlement Agreement”) and agreeing to jointly ask the Court to enter judgment ending the Action and enforcing the terms of the Settlement Agreement, Plaintiffs and Defendant have negotiated a settlement that is subject to the Court’s final approval. Both sides agree the proposed settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merits of any of Plaintiffs’ claims. Plaintiffs and Class Counsel strongly believe that the Settlement is a good deal for you because they believe that: (a) Defendant has agreed to pay a fair, reasonable, and adequate amount considering the strengths of the claims and the risks and uncertainties of continued litigation; and (b) settlement is in the best interests of the Class Members and the Aggrieved Employees. The Court preliminarily approved the Settlement as fair, reasonable, and adequate, authorized this Notice, and has scheduled a hearing to determine final approval.

4. TERMS OF THE SETTLEMENT

A. HOW MUCH IS THE SETTLEMENT AND WHO IS PAYING IT?

Defendant has agreed to pay \$1,000,000.00 (the “Gross Settlement Amount”) to settle all the claims of Plaintiffs, Class Members, and Aggrieved Employees. The Gross Settlement Amount will be deposited into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, payment to Plaintiffs for initiating the Action and providing services in support of the Action (the “Class Representative Service Payments”), Class Counsel’s fees and litigation expenses, the expenses incurred by the Administrator to effectuate the Settlement, and penalties required to be paid to the California Labor and Workforce Development Agency (“LWDA”).

B. THE ADMINISTRATOR

The Court has appointed the neutral company, CPT Group, Inc. (the “Administrator”), to administer the Settlement, including sending this Notice, calculating and making payments, and processing any Class Member’s Request for Exclusion. The Administrator will also decide Class Member challenges over workweeks and/or pay periods, mail and re-mail settlement checks and tax forms, and perform any other tasks necessary to administer the Settlement.

C. WHAT WILL THE GROSS SETTLEMENT AMOUNT PAY?

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 final amounts for which will be decided by the Court at the Final Approval Hearing:

- i. Up to \$333,333.33 (which represents one-third (1/3rd) of the Gross Settlement Amount) to Class Counsel for attorneys’ fees and up to \$35,000.00 for Class Counsel’s litigation expenses. To date, Class Counsel have worked and incurred expenses in and for the Action without payment.
- ii. Up to \$30,000.00 to Plaintiffs as Class Representative Service Payments for filing the Action, working with Class Counsel, and representing the Class. \$7,500 will be paid to each Plaintiff, in addition to their respective Individual Class Payments and Individual PAGA Payments.
- iii. Up to \$19,750.00 to the Administrator for services to administer the Settlement.
- iv. Up to \$10,000.00 for PAGA penalties, of which seventy-five percent (75%) (*i.e.*, \$7,500.00) shall be remitted to the LWDA as the LWDA PAGA payment and the remaining twenty-five percent (25%) (*i.e.*, \$2,500.00) shall be distributed to Aggrieved Employees based on their PAGA Period pay periods.

After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount to Class Members (the “Net Settlement Amount”). Any Participating Class Member has the right to object to any portion of these deductions. The Court will consider all objections.

D. HOW WILL THE NET SETTLEMENT AMOUNT AND PAGA PENALTIES BE DISTRIBUTED AMONG CLASS MEMBERS?

The Net Settlement Amount and the additional 25% of the PAGA penalties reserved for payment to Aggrieved Employees (up to \$2,500.00) will be distributed as follows:

i. Individual Class Payments.

The Administrator will calculate Individual Class Payments to be paid from the Net Settlement Amount by (a) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of workweeks worked by each individual Participating Class Member.

Plaintiffs and Defendant are requesting the Court to approve an allocation of 25% of each Individual Class Payment toward taxable wages (the “Wage Portion”) and the remaining 75% towards penalties and interest (the “Non-Wage Portion”). Crocs will separately pay employer payroll taxes it owes on the Wage Portion.

The Wage Portion of Individual Class Payments will be subject to employee tax withholdings, as reported on IRS W-2 Forms, which will be withheld and paid from the Wage Portions of the Individual Class Payments.

The Non-Wage Portion of Individual Class Payments will be counted as penalties and interest rather than wages for tax purposes (and therefore shall not be subject to any tax withholdings). The Administrator will report the Non-Wage Portion of the Individual Class Payments on IRS 1099 Forms.

ii. The Individual PAGA Payments.

The Administrator will calculate the Individual PAGA Payments by (a) dividing the 25% of the PAGA penalties reserved for payment to Aggrieved Employees (up to \$2,500.00) by the total number of PAGA pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.

The Individual PAGA Payments will be counted as penalties rather than wages for tax purposes (and therefore shall not be subject to any tax withholdings). The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

iii. No Advice regarding Tax Treatment of Individual Class and PAGA Payments.

Although Plaintiffs and Defendant have agreed to this allocation, neither side is giving you any advice on whether your Individual Class Payment and, if eligible, your Individual PAGA Payment are taxable and how much you might owe in taxes. You should consult with a tax advisor concerning the tax consequences of the payments you receive under the Settlement.

E. WHAT WILL MY APPROXIMATE RECOVERY BE?

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$____ (less withholding) and your Individual PAGA Payment is estimated to be \$____.**¹ The actual amount you may receive will likely be different and will depend on a number of factors, including (i) the number of Class Members who ultimately participate in the Settlement; (ii) the ultimate

¹ If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records, you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.

costs of providing notice and administering the Settlement; and (iii) the amount that the Court ultimately awards with respect to the Class Representative Service Payments, Class Counsel's fees and litigation expenses, and Administrator expenses.

The above estimates are based on Defendant's records that show **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks during the Class Period or you worked more pay periods during the PAGA Period, you can submit a challenge by the deadline date indicated in Section 5B of this Notice.

F. WHAT CLAIMS WOULD I BE RELEASING IF I DO NOT OPT OUT OF THE SETTLEMENT?

Upon final approval of the Settlement and when Defendant has fully funded the Gross Settlement Amount, each Class Member who has not opted out of the Class Settlement (*i.e.*, each Participating Class Member) will be legally barred from asserting any of the claims released under the Settlement. This means that, unless you have opted out by submitting a valid and timely Request for Exclusion, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or its related entities for wages based on the Class Period facts or for PAGA penalties based PAGA Period facts, as alleged in the Operative Complaint.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective present and former spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties from all claims, debts, liabilities, demands, obligations, guarantees, actions, or causes of action of whatever kind or nature during the Class Period, whether known or unknown, that were alleged in the Operative Complaint or that reasonably could have been alleged, based on the facts stated in the Operative Complaint and that were ascertained in the course of the Action, including those arising out of or related to: (1) all claims for failure to pay minimum, straight-time, and/or overtime wages for all hours worked, including all off-the-clock time both before clocking in for a shift, after clocking out for meal periods, and after clocking out at the end of shift; (2) all claims for failure to provide compliant meal periods or compensation in lieu thereof; (3) all claims for failure to authorize and permit compliant rest periods or compensation in lieu thereof; (4) all claims for failure to pay overtime, meal and/or rest period compensation, and/or sick pay at the regular rate of pay; (5) all claims for failure to timely pay wages due upon termination or resignation of employment; (6) all claims for failure to pay wages due upon regularly-scheduled paydays; (7) all claims for non-compliant wage statements; (8) all claims for failure to reimburse necessary business expenses; and (9) all claims asserted through California Business & Professions Code section 17200 *et seq.* arising out of the Labor Code violations referenced in the Operative Complaint (the "Released Claims"). The Released Claims include all related claims of any kind for unpaid wages, premium pay, liquidated damages, statutory penalties, civil penalties, restitution, interest, injunctive relief, punitive damages, and other damages, costs, expenses, and attorneys' fees arising from the alleged violation of any provision of common or statutory law that were or reasonably could have been raised as part of Plaintiffs' claims in the Operative Complaint, including but not limited to claims under California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 246 *et seq.*, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698 *et seq.*, 2800, and 2802, all provisions of the California Industrial Welfare Commission Wage Orders that provide the same or similar protections, and section 17200 *et seq.* of the California Business and Professions Code.

Aggrieved Employees shall also be bound by the release of any claims for civil penalties under section 2699 *et seq.* of the California Labor Code that were alleged in Plaintiffs' respective PAGA Notices,

even if they formally opted out of the Class Settlement and are no longer bound by the other provisions of the above release that are not claims for civil penalties under section 2699 *et seq.* This means that all Aggrieved Employees (including Non-Participating Class Members) cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in Plaintiffs' respective PAGA Notices. The Aggrieved Employees' release provides as follows:

All Aggrieved Employees, on behalf of themselves and their respective present and former spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release and discharge the Released Parties from all claims for any and all PAGA remedies during the PAGA Period that were alleged in, or reasonably could have been alleged in, or that were based on, arise from, or relate to the facts stated in the Operative Complaint, the PAGA Notices, and that were ascertained in the course of the Action, including any right, claim, or demand for civil penalties pursuant to Labor Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699 in connection with alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 246 *et seq.*, 510, 512, 1174, 1194, 1194.2, 1197, 1198, 2800, and 2802, all provisions of the California Industrial Welfare Commission Wage Orders that provide the same or similar protections, and section 17200 *et seq.* of the California Business and Professions Code. Plaintiffs and Aggrieved Employees will be bound by this release of PAGA claims even if they, or any of them, request to be excluded from the Settlement in accordance with Paragraph 9.5 [of the Settlement Agreement].

G. THE SETTLEMENT IS SUBJECT TO COURT APPROVAL AND WILL BE VOID IF THE COURT DENIES FINAL APPROVAL.

It is possible that the Court will decline to grant final approval of the Settlement or decline to enter judgment on its order granting final approval. It is also possible that the Court will enter a judgment on its order granting final approval that is subsequently reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void, meaning that Defendant will not pay any money and Class Members will not release any claims against Defendant.

5. YOUR RIGHTS AND OPTIONS

A. HOW WILL I GET PAID?

For every Participating Class Member (*i.e.*, every Class Member who does not opt-out), the Administrator will send, by U.S. Mail, an Individual Class Payment Check and, to those who qualify as Aggrieved Employees, a separate Individual PAGA Payment check. For every Non-Participating Class Member (*i.e.*, every Class Member who opted out of the Class Settlement) who qualifies as an Aggrieved Employee, the Administrator will send, by U.S. Mail, a single Individual PAGA Payment check.

The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check(s) expires (the void date). If you do not negotiate the check(s) by the void date, your check(s) will be automatically cancelled. Any unclaimed funds from any uncashed checks, plus any interest thereon, shall be distributed to the California State Controller's Unclaimed Property Fund in the names of the Participating Class Members and/or Aggrieved Employees. If the monies represented by your check(s) are sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

Your check(s) will be sent to the same address as indicated on this Notice. If you change your address (or want your check sent to a different address), please be sure to notify the Administrator as soon as possible. Sections 5B and 8 of this Notice have the Administrator's contact information.

B. CAN I DISPUTE THE NUMBER OF WEEKS OR PAY PERIODS DEFENDANT CLAIMS I WORKED?

Yes. If you disagree with the number of workweeks and/or PAGA Period pay periods reported for

you in Defendant's records, you may file a written dispute with the Administrator by ___, 2025. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax to the Administrator at the following address:

___ CLASS ACTION ADMINISTRATOR

[Administrator]

[Address, telephone, and fax]

The Administrator's contact information is also provided below in section 8.

Any dispute submitted to the Administrator as to the number of workweeks and/or pay periods must be in writing and include proof supporting your dispute. In the absence of any contrary documentation, the Administrator is entitled to presume that the workweeks and pay periods contained in this Notice are correct so long as they are consistent with the Class Data. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve the workweek and/or pay period challenges based on your submission and input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's determination is final and binding. You cannot appeal or otherwise challenge the Administrator's final decision.

Do not contact the court to dispute the calculation of your Class Period workweeks and/or PAGA Period pay periods.

C. CAN I OBJECT TO THE SETTLEMENT?

Yes, but **only** as to the Class Settlement **and only if** you do not opt out of the Class Settlement. If you do not wish to opt out of the Class Settlement but disagree with any portion of the Class Settlement, you have the right to file an objection. If you opt out of the Class Settlement, you will not be eligible to object to any portion of the Class Settlement.

If you do not opt out of the Class Settlement, you can object to the Class Settlement and you can give reasons why you think the Court should not approve it. The Court will consider your position. Your objection must state, in writing, the specific reason for your objection, including any legal support, as well as your full legal name, date of birth, and the dates you worked as a non-exempt employee of Defendant and must be mailed, faxed, or emailed to the Administrator no later than ___, 2025. In the alternative, you may appear in Court (or hire an attorney to appear in Court at your own expense) to raise oral objections or offer comments at the Final Approval Hearing.

Whether or not you object to or opt out of the Class Settlement, you may not object to the PAGA Settlement for any reason. This means that, if you qualify as an Aggrieved Employee, you will automatically be bound by the PAGA Settlement and related release.

D. CAN I OPT OUT OF THE SETTLEMENT?

Yes, but **only** to the Class Settlement. You cannot opt out of the PAGA Settlement.

Unless you notify the Administrator in writing that you wish to opt out of the Class Settlement, you will be treated as a Participating Class Member participating fully in the Class Settlement. The easiest way to notify the Administrator that you request to be excluded from the Class Settlement is by submitting the "Request for Exclusion" form provided in this Notice by ___, 2025. The Request for Exclusion form should be submitted by you or your representative and it must: (a) include your name, the last four digits of your social security number, and your signature; and (b) indicate that you desire to exclude yourself from the Class Settlement. Excluded Class Members (*i.e.*, Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage-and-hour claims against Defendant. If you submit a timely and valid Request for Exclusion, as determined by the Administrator, you will not be eligible to object to any aspect of the Settlement.

You cannot opt out of the PAGA Settlement. Class Members who exclude themselves from the Class Settlement (*i.e.*, Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

If you opt out of the Class Settlement, your share of the non-PAGA Settlement proceeds may be divided up amongst the Participating Class Members.

E. WHAT IF I DO NOTHING?

If you do nothing, you will receive your Individual Class Payment and/or Individual PAGA Payment, if any, from the Net Settlement Amount but only *if* and *after* the Court grants final approval. Even if you do not cash your settlement check(s), you will still be bound by all the terms of the Settlement, including the waivers and releases discussed in Section 4F, and you will be prevented from suing Defendant or participating in any other litigation or class action as to the matters being settled in this Action.

6. PROHIBITION AGAINST RETALIATION

Defendant has agreed to this Settlement and it shall not discriminate and/or retaliate against any Class Member who accepts benefits under this Settlement. Your participation in this Settlement will in no way affect your employment relationship with Defendant.

7. FINAL APPROVAL OF SETTLEMENT

A. HOW AND WHEN WILL THE COURT PROVIDE FINAL APPROVAL OF THE SETTLEMENT?

The Los Angeles County Superior Court of the State of California will hold a Final Approval Hearing on _____, 2025, at ___ a.m./p.m., in Department 6, located at 312 North Spring Street, Los Angeles, California 90012, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve the Class Representative Service Payments, Class Counsel's fees and litigation expenses, and the expenses incurred by the Administrator to effectuate the Settlement. The Court will invite comments from Class Members who have submitted written objections, Class Counsel, and Defense Counsel before making a decision. Though your attendance is not required, you may attend (or hire a lawyer to attend) either personally or virtually via [remote link]. It is possible the Court may reschedule the Final Approval Hearing. You should check the Administrator's website [_____] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

B. WHEN WILL I GET MY SETTLEMENT CHECK(S)?

If there are no appeals to the Court's order granting final approval of the Settlement, the check(s) representing the Individual Class Payment and/or Individual PAGA Payment will be mailed out approximately 37 days after the Court enters judgment on its order granting final approval of the Settlement.

8. GETTING MORE INFORMATION

This Notice does not contain all the terms of the Settlement or all of the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Court.

You may also visit the Administrator's website at [Administrator's website] to find specific documents related to this case and be able to access the Notice and other forms. There is no charge to view the documents on this website. You may also contact Class Counsel or the Administrator for information

about this Action:

<i>Class Counsel for Plaintiffs and the Settlement Class</i>
Justin F. Marquez, Esq. justin.marquez@wilshirelawfirm.com Arrash T. Fattahi, Esq. arrash.fattahi@wilshirelawfirm.com Arman A. Salehi, Esq. arman.salehi@wilshirelawfirm.com WILSHIRE LAW FIRM 3055 Wilshire Boulevard, 12th Floor Los Angeles, California 90010 Tel: (213) 381-9988 Fax: (213) 381-9989
<i>The Administrator</i>
[Name] [Address]

**DO NOT TELEPHONE, WRITE, OR OTHERWISE CONTACT THE SUPERIOR COURT TO
OBTAIN INFORMATION ABOUT THE SETTLEMENT.**

REQUEST FOR EXCLUSION

Fernando Alberto Acevedo, et al. v. Crocs Retail, LLC, et al.
Los Angeles County Superior Court Case No. 23STCV15354

I, [Class Member], want to **OPT-OUT** of the Class in the lawsuit entitled *Fernando Alberto Acevedo, et al. v. Crocs Retail, LLC, et al.*, Superior Court of the State of California, County of Los Angeles, Case No. 23STCV15354. I understand that, by excluding myself from the Class, I will neither receive an Individual Class Payment, as described in the accompanying Class Notice, nor have the right to object to the Class Settlement. Additionally, if I am an Aggrieved Employee, I also understand that I am not excluding myself from the PAGA Settlement and that I will receive an Individual PAGA Payment.

Signature

Date

Print Name of Class Member or
Representative

Last Four Digits of
Social Security Number

**TO BE EFFECTIVE, PLEASE RETURN THIS TO THE ADMINISTRATOR BY [DATE] AT THE
FOLLOWING ADDRESS:**

[Insert name and address of administrator]

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]