

## CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Joseph Morales (“Plaintiff”) and defendant Indotronix International Corporation (“Indotronix” or “Defendant;” the definition of “Defendant” explicitly excludes named-defendant ATOS IT Outsourcing Services, LLC). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

### 1. DEFINITIONS.

- 1.1. “Lawsuit” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Joseph Morales v. Indotronix International Corporation and ATOS IT Outsourcing Services, LLC*, initiated on July 31, 2023 and pending in Superior Court of the State of California, County of Orange, Case No. 30-2023-01339414-CU-OE-CXC.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration 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. “PAGA Employee” means all persons who are Settlement Class Members who were employed at any time from July 31, 2022, through July 31, 2024.
- 1.5. “Settlement Class” means all current and former nonexempt employees of Indotronix, including those assigned to ATOS IT Outsourcing Services, LLC, employed in California at any time from February 3, 2019, through July 31, 2024.
- 1.6. “Settlement Class Counsel” means Kashif Haque, Samuel Wong, Jessica L. Campbell and Elizabeth Robles of Aegis Law Firm, PC.
- 1.7. “Settlement Class Counsel Fees Payment” and “Settlement Class Counsel Litigation Expenses Payment” mean the amounts allocated to Settlement Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Lawsuit. Attorneys’ fees paid pursuant to this Agreement shall be inclusive of all fees in this matter as it relates to Defendant Indotronix and not as to named-defendant ATOS IT Outsourcing Services, LLC.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s full name, last-known mailing address, full Social Security number, and number of Settlement Class Period Workweeks and PAGA Pay Periods.

- 1.9. “Class Member” or “Settlement Class Member” means a member of the Settlement Class, as either a Qualified Class Member or Non-Qualified Class Member (including a Non-Qualified Class Member who qualifies as a PAGA 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. “Settlement Class Period” means the period from February 3, 2019 to July 31, 2024.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Lawsuit seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Lawsuit and providing services in support of the Lawsuit.
- 1.15. “Court” means the Superior Court of California, County of Orange.
- 1.16. “Defendant” means named Defendant Indotronix International Corporation and explicitly excludes named-defendant ATOS IT Outsourcing Services, LLC.
- 1.17. “Defense Counsel” means Luis Lorenzana and Noah J. Woods of Littler Mendelson P.C.
- 1.18. “Effective Date” means the date when all of the following events have occurred: (i) the Court has given preliminary approval to the Settlement; (ii) the Class Notice has been sent to the Class Members, providing them the opportunity to object to the Settlement, and the opportunity to opt out of the Settlement; (iii) the Court has held a formal fairness hearing and entered the Court’s Final Order and Judgment; and (iv) the later of the following events: (A) when the period for filing any appeal, writ or other appellate proceeding opposing the Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; i.e., within 60 calendar days after entry of the Order and Judgment; (B) when any appeal, writ or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or (C) when any appeal, writ or other appellate proceeding has upheld the Court’s Final Order and Judgment with no with no right to pursue further remedies or relief. If the Court does not grant Preliminary Approval

and/or Final Approval or conditions Preliminary Approval and/or Final Approval on any material change to this Settlement (including, but not limited to, the scope of release to be granted by Class Members), Settlement Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties in good faith to modify the Settlement and otherwise satisfy the Court's concerns. If the Parties have exhausted all good faith efforts to work together to satisfy the Court's concerns as described in this paragraph and the Court nevertheless continues to decline to approve the Settlement, the entire Settlement is deemed void and unenforceable as if no settlement of any claim was ever reached. All negotiations, statements and proceedings and data relating thereto shall be protected by California Evidence Code §1152 and shall be without prejudice to the rights of any of the Parties.

- 1.19. "Final Approval" means the Court's order granting final approval of the Settlement.
- 1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. "Gross Settlement Amount" means \$312,000.00 to resolve the claims of the Settlement Class Members. With the exception of Defendant's share of employment taxes, which shall be paid separately by Defendant, the Gross Settlement Amount will include all payments to be made to Settlement Class Members, the California Labor and Workforce Development Agency, the PAGA Employees, Settlement Class Counsel Fees, Settlement Class Counsel Expenses, Class Representative Service Payment, and the Administrator's Expenses. In no event shall Defendant be liable for the payment of any amounts exceeding the Gross Settlement Amount with the exception of the employer's share of payroll taxes due and payable as a result of this Settlement, which shall be paid separately from the Gross Settlement Amount, and, if applicable, payment associated with the escalator clause in Paragraph 8 below.
- 1.23. "Individual Class Payment" means the Qualified Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Settlement Class Period
- 1.24. "Individual PAGA Payment" means the PAGA 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.
- 1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.

- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under the Labor Code section 2699, subd. (i).
- 1.28. “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 Payment, Settlement Class Counsel Fees Payment, Settlement Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Qualified Class Members as Individual Class Payments.
- 1.29. “Non-Qualified Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any Pay Period during which a PAGA Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from July 31, 2022, through July 31, 2024.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notice” means Plaintiff’s July 31, 2023 letter to Defendant and the LWDA and Plaintiff’s April 4, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties in the amount of \$40,000.00 to be paid from the Gross Settlement Amount, with 75% (\$30,000.00) allocated to the LWDA PAGA Payment and 25% (\$10,000.00) allocated to the Individual PAGA Payments in settlement of PAGA claims.
- 1.35. “Qualified Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiff” means Joseph Morales, the named plaintiff in the Lawsuit.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41. “Released Parties” means Defendant and any of its past, present and future direct or indirect parents, subsidiaries, predecessors, successors, clients, customers, and affiliates, as well as each of their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant (“Released Parties”). The Released Parties definition explicitly excludes named- defendant ATOS IT Outsourcing Services, LLC.
- 1.42. “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.
- 1.43. “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and PAGA Employees, 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 Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44. “Settlement” means the disposition of the Lawsuit as to Defendant Indotronic effected by this Agreement and the Judgment.
- 1.45. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Settlement Class Period.

## **2. RECITALS.**

- 2.1. On July 31, 2023, Plaintiff commenced this Lawsuit by filing a Complaint alleging causes of action against Defendant for failure to pay minimum wages; failure to pay overtime wages; failure to provide meal periods; failure to permit rest breaks; failure to reimburse business expenses; failure to provide accurate itemized wage statements; failure to pay wages timely during employment; failure to pay all wages due upon separation of employment; and violation of business and professions code §§ 17200, *et seq.* On October 9, 2023, Plaintiff filed a First Amended Complaint alleging an additional cause of action against Defendant for Enforcement of Labor Code § 2698 *et seq.* (“PAGA”). On June 24, 2024, Plaintiff filed a Second Amended Complaint with additional facts supporting his causes of action. The Second Amended Complaint is the operative complaint in the Lawsuit (the “Operative Complaint.”) Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On March 8, 2024, the Parties participated in an all-day mediation presided over by Jill R. Sperber which led to this Agreement to settle the Lawsuit as to Defendant Indotronix.
- 2.4. Prior to mediation, Plaintiff obtained through informal discovery, relevant policy documents, time and pay records for Class Members, and metrics concerning the Settlement Class. Plaintiff's 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*").
- 2.5. The Court has not granted class certification.
- 2.6. The Parties, Settlement 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. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$312,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Qualified Class Members or PAGA Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. 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:
  - 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$5,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Qualified Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Settlement Class Counsel Fees Payment and Settlement Class Counsel Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service payment less than the amount requested, the Administrator will allocate the remainder to the

Net Settlement Amount. The Administrator will pay the Class Representative Service payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

- 3.2.2. To Settlement Class Counsel: A Settlement Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be \$104,000.00 and a Settlement Class Counsel Litigation Expenses Payment of not more than \$15,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Settlement Class Counsel will file a motion for Settlement Class Counsel Fees Payment and Settlement Class Counsel Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Settlement Class Counsel Fees Payment and/or a Settlement Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Settlement Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Settlement Class Counsel Fee Payment and/or Settlement Class Counsel Litigation Expenses Payment. The Administrator will pay the Settlement Class Counsel Fees Payment and Settlement Class Counsel Expenses Payment using one or more IRS 1099 Forms. Settlement Class Counsel assumes full responsibility and liability for taxes owed on the Settlement Class Counsel Fees Payment and the Settlement Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$8,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$8,000.00, the Administrator will allocate the remainder to the Net Settlement Amount.
- 3.2.4. To Each Qualified Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Qualified Class Members during the Settlement Class Period and (b) multiplying the result by each Qualified Class Member's Workweeks.
  - 3.2.4.1. Tax Allocation of Individual Class Payments. 25% of each Qualified Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 75% of each Qualified Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Qualified Class Members assume full responsibility and liability for any employee taxes owed on their Individual

Class Payment.

- 3.2.4.2. Effect of Non-Qualified Class Members on Calculation of Individual Class Payments. Non-Qualified 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 Qualified Class Members on a pro rata basis.
- 3.2.5. To the LWDA and PAGA Employees: PAGA Penalties in the amount of \$40,000.00 to be paid from the Gross Settlement Amount, with 75% (\$30,000.00) allocated to the LWDA PAGA Payment and 25% (\$10,000.00) allocated to the Individual PAGA Payments.
- 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the PAGA Employees' 25% share of PAGA Penalties \$10,000.00 by the total number of PAGA Period Pay Periods worked by all PAGA Employees during the PAGA Period and (b) multiplying the result by each PAGA Employee's PAGA Period Pay Periods. PAGA Employees may not opt out of or object to the PAGA release. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. PAGA Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
- 3.2.5.2. 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.

**4. SETTLEMENT FUNDING AND PAYMENTS.**

- 4.1. Class Data. Not later than 21 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Settlement Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.2. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share

of payroll taxes by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

- 4.3. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Settlement Class Counsel Fees Payment, the Settlement Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Settlement Class Counsel Fees Payment, the Settlement Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.3.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members 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 Qualified Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all PAGA Employees including Non-Qualified Class Members who qualify as PAGA Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Qualified Class Members 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.
- 4.3.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without 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, requested by the Class Member prior to the void date.
- 4.3.3. 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).

- 4.3.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

**5. RELEASES OF CLAIMS.** Effective upon Final Approval by the Court, Plaintiff, Class Members, and PAGA Employees will release claims against all Released Parties as follows:

- 5.1. Plaintiff's Release. In addition to the Released Class Claims in Paragraph 5.2 and Released PAGA Claims in Paragraph 5.3, as to the claims of Plaintiff only, the Released Claims further include, without limitation, any and all claims whatsoever regarding Plaintiff's employment and/or the termination of employment with Indotronix including, but not limited to, any claims for wages, bonuses, severance pay, vacation pay, penalties, employment benefits, stock options, violation of any personnel policy, any claims based on discrimination, harassment, unlawful retaliation, violation of public policy, or damages of any kind whatsoever, arising out of any common law torts, contracts, express or implied, any covenant of good faith and fair dealing, any theory of wrongful discharge, any theory of negligence, any theory of retaliation, any legal restriction on Defendant's right to terminate the employment relationship, or any federal, state, or other governmental statute, executive order, regulation or ordinance, or common law, or any other basis whatsoever, to the fullest extent provided by law. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Settlement Class Period. Plaintiff shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law that purports to limit the scope of a general release. Plaintiff, for himself, have read Section 1542 of the Civil Code of the State of California, which provides as follows:

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

Plaintiff understands that Section 1542 gives the right not to release existing claims of which they are not now aware, unless Plaintiff voluntarily chooses to waive this right. Having been so apprised, Plaintiff nevertheless voluntarily waive the rights described in Section 1542, and elect to assume all risks for claims that now exist in his favor, known or unknown. The release of the claims of Plaintiff as set forth in this Paragraph is a condition precedent to enforcement of this Settlement Agreement. Plaintiff's Released Claims explicitly excludes all claims Plaintiff may have against named-Defendant ATOS IT Outsourcing Services, LLC.

5.2. Release by Qualified Class Members:

The claims released by the Qualified Class Members (regardless of whether they are PAGA Employees) will include all claims against Indotronix pleaded in the Lawsuit and PAGA Notice, and/or which could have been alleged against Indotronix based on the facts, allegations and/or claims pleaded in the Lawsuit, against the Released Parties, for work performed during the Settlement Class Period, including the following:

- (a) The Claims against Indotronix set forth in the Lawsuit, specifically, (1) failure to pay minimum wages (Violations of Labor Code §§ 201.3, 204, 204b, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198); (2) failure to pay overtime wages (Violations of Labor Code §§ 201.3, 204, 204b, 510, 1194 and 1198); (3) failure to provide meal periods or pay premiums in lieu thereof at the regular rate (Violation of Labor Code §§ 226.7 and 512, and the applicable Wage Order); (4) failure to provide rest periods or pay premiums in lieu thereof at the regular rate (Violation of Labor Code §§ 226.7, and the applicable Wage Order); (5) failure to reimburse for business expenses (Violation of Labor Code §§ 2800 and 2802); (6) failure to furnish timely and accurate wage statements, and keep payroll records (Violation of Labor Code §§ 204, 226, 226.3, 1174 and 1174.5); (7) failure to timely pay wages during employment (Violation of Labor Code §§ 201.3, 204, 204b, and 210.); (8) failure to timely pay wages upon termination of employment (Violation of Labor Code §§ 201, 202, and 203); and (9) violation of California's Unfair Competition Law based upon the alleged Labor Code violations (Violation of Business & Professions Code § 17200 et seq.; California Code of Civil Procedure § 1021.5);
- (b) Any claims against Indotronix for injunctive relief, declaratory relief, restitution, alleged or which could have been alleged under the facts, allegations and/or claims pleaded in the complaints filed as part of the Lawsuit; and
- (c) Any and all other claims against Indotronix under California common law, the federal law, and the California Business and Professions Code alleged in or that could have been alleged under the facts, allegations and/or claims pleaded in the Lawsuit and based on the alleged Labor Code violations.

Except as included in Section 5.3 of this Agreement, Qualified Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Settlement Class Period.

5.3 Release by PAGA Employees:

The claims released by PAGA Employees (regardless of whether they are Qualified Class Members) will include all PAGA claims against Indotronix pleaded in the Lawsuit and PAGA Notice, and/or which could have been alleged against Indotronix based on the facts, allegations and/or claims pleaded in the Lawsuit and PAGA Notice, against the

Released Parties, for work performed during the PAGA Period, including the following: the PAGA Claims against Indotronix set forth in the Lawsuit and PAGA Notice, specifically PAGA claims for: (1) failure to pay minimum wages (Violations of Labor Code §§ 201.3, 204, 204b, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198); (2) failure to pay overtime wages (Violations of Labor Code §§ 201.3, 204, 204b, 510, 1194 and 1198); (3) failure to provide meal periods or pay premiums in lieu thereof at the regular rate (Violation of Labor Code §§ 226.7 and 512, and the applicable Wage Order); (4) failure to provide rest periods or pay premiums in lieu thereof at the regular rate (Violation of Labor Code §§ 226.7, and the applicable Wage Order); (5) failure to reimburse for business expenses (Violation of Labor Code §§ 2800 and 2802); (6) failure to furnish timely and accurate wage statements, and keep payroll records (Violation of Labor Code §§ 204, 226, 226.3, 1174 and 1174.5; (7) failure to timely pay wages during employment (Violation of Labor Code §§ 201.3, 204, 204b, and 210,); (8) failure to timely pay wages upon termination of employment (Violation of Labor Code §§ 201, 202, and 203); and (9) Violation of the California Private Attorneys General Act of 2004 (Labor Code §§ 558 and 2698, et seq.) predicated on the facts and/or claims alleged in the Lawsuit and/or PAGA Notice.

**6. MOTION FOR PRELIMINARY APPROVAL.** The Parties shall cooperate to prepare and file a Motion for Preliminary Approval of the Settlement (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals. Settlement Class Counsel shall provide Defense Counsel with a draft of the Preliminary Approval papers for review at least seven (7) days prior to filing.

6.1. Responsibilities of Counsel. Settlement Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no 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. Settlement Class Counsel is responsible for delivering the Court’s Preliminary Approval Order to the Administrator.

6.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Settlement Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and 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, Settlement Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

## **7. SETTLEMENT ADMINISTRATION.**

7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of

appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
  - 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Settlement Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
  - 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
  - 7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
  - 7.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 15 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the

Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defendant or Settlement Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 15 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5. Requests for Exclusion (Opt-Outs).

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Qualified Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Qualified Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Qualified Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Qualified Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the

Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Qualified Class Members who are PAGA Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail, and must provide any supporting documentation to the Administrator. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct as long as they are consistent with the Class Data. If any Class Member disputes the basis for determining their share of the Net Settlement Amount, Defendant's records shall presumptively control. The Administrator's determination of each Class Member's allocation of Workweeks and/or 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 Pay Periods to Defense Counsel and Settlement Class Counsel and the Administrator's determination of the challenges. Any dispute that cannot be resolved by Settlement Class Counsel and Defense Counsel may be brought before the Court before final approval of the Class Settlement.

7.7. Objections to Settlement.

7.7.1. Only Qualified 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 Settlement Class Counsel Fees Payment, Settlement Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Qualified Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Qualified Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Qualified Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

7.7.4. The Settlement Administrator will email a copy of the objection forthwith to counsel and Settlement Class Counsel shall lodge a copy of the objection with

the Court.

- 7.8. 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.
- 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and 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 Settlement Class Counsel Fees Payment, Settlement Class Counsel Litigation Expenses Payment and Class Representative Service Payment, 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.
- 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Settlement Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3. Weekly Reports. The Administrator must, on a weekly basis provide written reports to Settlement Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5. Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Settlement Class Counsel and Defense Counsel, a

signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including but not limited to, its mailing of the Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Settlement Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Settlement Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Settlement Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Settlement Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Defendant estimates that as of April 18, 2024, the total number of workweeks worked by Settlement Class Members during the Settlement Class Period is approximately 12,250 workweeks. If the total number of workweeks worked by Settlement Class Members during the Settlement Class Period exceeds 12,250 by more than 10% (i.e., exceeds 13,475 workweeks) or if the total number of Settlement Class Members during the Class Period exceeds 421 by more than 10% (i.e., exceeds 463 Class Members), then at the option of Defendant, Defendant shall either increase the Gross Settlement Amount pro rata per additional workweek or per additional Settlement Class Member, whichever is greater, or elect to move the end date for the Settlement Class Period to the date that the workweeks do not exceed 12,250 and the Settlement Class Members do not exceed 421. In the event Defendant elects to increase the Gross Settlement Amount, the workweek value will be calculated by dividing the Gross Settlement Amount by 12,250 workweeks (\$312,000.00 divided by 12,250 workweeks = \$25.47 per workweek). For example, if the total number of workweeks by the end of the Class Period is 14,000, Defendant would have to increase the Gross Settlement Amount by \$13,371.75 (14,000 – 13,475 = 525 x \$25.47). Similarly, the Settlement Class Member value will be calculated by dividing the Gross Settlement Amount by 421 (\$312,000.00 divided by 421 Class Members = \$741.09 per Class Member). For example, if the total number of Settlement Class Members by the end of the Class Period is 500, Defendant would have to increase the Gross Settlement Amount by \$27,420.33 (500 – 463 = 37 x \$741.09).
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If 10% or more Settlement Class Members timely opt out of the class settlement, Defendant shall have the sole and absolute discretion to rescind/void the Settlement Agreement within fifteen (15) calendar days after receiving from the Settlement Administrator the final list of opt-outs. Defendant agrees to meet and confer in

good faith with Settlement Class Counsel before rescinding or voiding the Settlement Agreement. In the event that Defendant elects to rescind/void the Settlement Agreement, Defendant shall provide written notice of such rescission to Settlement Class Counsel. Such rescission shall have the same effect as a termination of the Settlement Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement shall become null and void and have no further force or effect. The terminating party will pay the Settlement Administrator costs incurred and cost of any required further notice to Class Members regarding the termination.

**10. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”).

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Qualified Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Lawsuit, and the Settlement for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law between Plaintiff and Indotronix. The Lawsuit will continue between Plaintiff and named-defendant ATOS IT Outsourcing Services, LLC.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Settlement Class Counsel Fees Payment and Settlement Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Qualified Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment,

the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

- 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that 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 Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Settlement Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

**11. 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 a proposed amended judgment.

## **12. ADDITIONAL PROVISIONS.**

- 12.1. 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 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Lawsuit 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, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Lawsuit, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Lawsuit 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).

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

- 12.3. Public Disclosure. Plaintiff and Settlement Class Counsel will not make any public disclosure of the Settlement until after the filing of the Motion for Preliminary Approval of the Settlement. Plaintiff and his counsel represent that they have not made any such disclosure. Settlement Class Counsel will take all steps necessary to ensure that Plaintiff is aware of, and will encourage Plaintiff to adhere to, the restriction against any public disclosure of the Settlement until after the Settlement is preliminarily approved by the Court. Thereafter, Settlement Class Counsel and Plaintiff agree not to publicize the terms of this Settlement with the media, including but not limited to, any newspaper, journal, magazine, website and/or online reporter of settlements or on any website.
- 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization. Settlement Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. Termination of the Agreement. Subject to the obligation(s) of mutual full cooperation set out in this Settlement Agreement, either Plaintiff or Defendant may terminate this Settlement if after submitting the Settlement for approval to the Court as set forth in this Settlement Agreement, any Court declines to enter the preliminary approval order, the final approval order, or judgment in substantially the form submitted by the Parties, or if an appeal opposing the judgment is not ultimately dismissed. The terminating Party shall give to the other Party (through its/their counsel) written notice of its decision to terminate no later than fourteen (14) calendar days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:
- (a) The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.

- (b) In the event the Settlement Agreement is terminated, Defendant shall have no obligation to make any payments to any party, Settlement Class Member, PAGA Employee or attorney.
  - (c) The preliminary approval order, final approval order and judgment shall be vacated.
  - (d) The Stipulation of Settlement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the Settlement.
  - (e) Except as otherwise discoverable, neither the Parties' "Memorandum of Understanding Re: Class Action Settlement" nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Lawsuit or any other action for any purpose whatsoever.
  - (f) The terminating party will pay the Settlement Administrator costs incurred and cost of any required further notice to Class Members regarding the termination.
- 12.8. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.9. No Tax Advice. Neither Plaintiff, Settlement Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.10. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.11. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.12. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.13. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.14. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Lawsuit and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

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

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

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

To Plaintiff: Aegis Law Firm, PC  
Kashif Haque  
Samuel Wong  
Jessica L. Campbell  
[jcampbell@aegislawfirm.com](mailto:jcampbell@aegislawfirm.com)  
Elizabeth Robles  
[erobles@aegislawfirm.com](mailto:erobles@aegislawfirm.com)  
9811 Irvine Center Drive, Suite 100  
Irvine, California 92618

To Defendant: Littler Mendelson, P.C.  
Luis Lorenzana  
[LLorenzana@littler.com](mailto:LLorenzana@littler.com)  
Noah J. Woods  
[nwoods@littler.com](mailto:nwoods@littler.com)  
501 W Broadway Suite 900  
San Diego, California 92101-3546

12.18. 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 counterparts will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. 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 that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Date: jm 10/29/2024

PLAINTIFF JOSEPH MORALES

DocuSigned by:  
  
AA69791FDEE5447...

Date: \_\_\_\_\_

DEFENDANT INDOTRONIX  
INTERNATIONAL CORPORATION

By: \_\_\_\_\_

Date: 10/30/2024

AEGIS LAW FIRM, PC

  
\_\_\_\_\_  
Samuel Wong  
Kashif Haque  
Jessica Campbell  
Elizabeth Robles  
Attorneys for Plaintiff

Date: \_\_\_\_\_

LITTLER MENDELSON, P.C.

\_\_\_\_\_  
Luis Lorenzana  
Noah J. Woods  
Attorneys for Defendant

12.19. 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 that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Date: \_\_\_\_\_

PLAINTIFF JOSEPH MORALES

\_\_\_\_\_

Date: 10/29/2024

DEFENDANT INDOTRONIX  
INTERNATIONAL CORPORATION

DocuSigned by:  
*Rami Fakhoury*  
1CB9E3176B2C48A...

By: Rami Fakhoury  
General Counsel & Vice President

Date: \_\_\_\_\_

AEGIS LAW FIRM, PC

\_\_\_\_\_  
Samuel Wong  
Kashif Haque  
Jessica Campbell  
Elizabeth Robles  
Attorneys for Plaintiff

Date: 10/30/2024

LITTLER MENDELSON, P.C.

*ML*

\_\_\_\_\_  
Luis Lorenzana  
Noah J. Woods  
Attorneys for Defendant

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

*Joseph Morales v. Indotronix International Corporation and*

*ATOS IT Outsourcing Services, LLC*

Case No. 30-2023-01339414-CU-OE-CXC

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

**You may be eligible to receive money** from an employee class action lawsuit (“Lawsuit”) against *Indotronix International Corporation* (“Defendant” is used herein as a placeholder) for alleged wage and hour violations. The Lawsuit was filed by a former employee Joseph Morales (“Plaintiff”) and seeks payment of (1) unpaid wages and other relief for a class of hourly employees (“Class Members”) who worked for Defendant during the Settlement Class Period (February 3, 2019 to July 31, 2024); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all hourly employees who worked for Defendant during the PAGA Period (July 31, 2022 to July 31, 2024) (“PAGA 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”).

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 \$\_\_\_\_\_**. The actual amount you may receive likely will be different and will depend on a number of factors. (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 didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked \_\_\_\_\_ workweeks** during the Settlement Class Period and **you worked \_\_\_\_\_ pay periods** during the PAGA Period. If you believe that you worked more workweeks/pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

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

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

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

## SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

|                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>You Don't Have to Do Anything to Participate in the Settlement</b>                                                          | If you do nothing, you will be a Qualified Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b><br><br><b>The Opt-out Deadline is _____</b>         | <p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by completing the enclosed "Exclusion Form" and sending it to the Administrator. Once excluded, you will be a Non-Qualified Class Member and no longer eligible for an Individual Class Payment. Non-Qualified Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all PAGA Employees and the PAGA Employees must give up their rights to pursue Released Claims (defined below).</p> |
| <b>Qualified Class Members Can Object to the Class Settlement but not the PAGA Settlement</b><br><br><b>Written Objections</b> | All Class Members who do not opt-out ("Qualified Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Settlement Class Counsel and Plaintiff who pursued the Lawsuit on behalf of the Class. You are not personally responsible for any payments to Settlement Class Counsel or Plaintiff, but every dollar paid to                                                                                                                                                                                                                   |

|                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Must be Submitted by</b><br><hr/>                                                                                                  | Settlement Class Counsel and Plaintiff reduces the overall amount paid to Qualified Class Members. You can object to the amounts requested by Settlement Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.                                                                                                                                                                                                                                                                                                   |
| <b>You Can Participate in the</b><br><hr/> <b>Final Approval Hearing</b>                                                              | The Court’s Final Approval Hearing is scheduled to take place on <hr/> . You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Qualified Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.                                                                                                                                          |
| <b>You Can Challenge the Calculation of Your Workweeks/Pay Periods</b><br><br><b>Written Challenges Must be Submitted by</b><br><hr/> | The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Settlement Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Settlement Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by <hr/> . See Section 4 of this Notice. |

## 1. WHAT IS THE LAWSUIT ABOUT?

Plaintiff is a former employee of Defendant. The Lawsuit accuses Defendant of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide wages timely during employment, meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Lawsuit: Samuel A. Wong, Kashif Haque, Jessica L. Campbell, and Elizabeth Robles from Aegis Law Firm, PC (“Settlement Class Counsel.”)

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

## 2. WHAT DOES IT MEAN THAT THE LAWSUIT HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Lawsuit by negotiating to end the case between Plaintiff and Defendant by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Lawsuit between Plaintiff and Defendant and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed 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 merit of any claims. Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

- A. Defendant Will Pay \$312,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Settlement Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Qualified Class Members object to the proposed Settlement or the Judgment is appealed.
- B. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Settlement Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
  - i. Up to \$104,000.00 (one-third (1/3) of the Gross Settlement) to Settlement Class Counsel for attorneys' fees and up to \$15,000.00 for their litigation expenses. To date, Settlement Class Counsel have worked and incurred expenses on the Lawsuit without payment.
  - ii. Up to \$5,000.00 as a Class Representative Award for filing the Lawsuit, working with Settlement Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment as to his claims against Defendant.
  - iii. Up to \$8,000.00 to the Administrator for services administering the Settlement.
  - iv. Up to \$40,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the PAGA Employees based on their PAGA Period Pay Periods.

Qualified Class Members have the right to object to any of these deductions. The Court will consider all objections.

- C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Qualified Class Members based on their Settlement Class Period Workweeks.
- D. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 25% of each Individual Class Payment to taxable wages (“Wage Portion”) and 75% to e.g., interest, etc. (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (Defendant will separately pay employer payroll taxes it owes on the Wage Portion.) The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.
- E. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
- F. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Qualified Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than \_\_\_\_\_, that you wish to opt-out. The easiest way to notify the Administrator is to complete the enclosed “Exclusion Form” and send it to the Administrator by the \_\_\_\_\_ Response Deadline. Excluded Class Members (i.e., Non-Qualified Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Qualified 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 Lawsuit.

- G. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

- H. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
- I. Release by Qualified Class Members. After the Judgment is final and Defendant has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Qualified Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Settlement Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Lawsuit and resolved by this Settlement.

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

The claims released by the Qualified Class Members (regardless of whether they are PAGA Employees) will include all claims against Indotronix pleaded in the Lawsuit and PAGA Notice, and/or which could have been alleged against Indotronix based on the facts, allegations and/or claims pleaded in the Lawsuit, against the Released Parties, for work performed during the Settlement Class Period, including the following:

- (a) The Claims against Indotronix set forth in the Lawsuit, specifically, (1) failure to pay minimum wages (Violations of Labor Code §§ 201.3, 204, 204b, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198); (2) failure to pay overtime wages (Violations of Labor Code §§ 201.3, 204, 204b, 510, 1194 and 1198); (3) failure to provide meal periods or pay premiums in lieu thereof at the regular rate (Violation of Labor Code §§ 226.7 and 512, and the applicable Wage Order); (4) failure to provide rest periods or pay premiums in lieu thereof at the regular rate (Violation of Labor Code §§ 226.7, and the applicable Wage Order); (5) failure to reimburse for business expenses (Violation of Labor Code §§ 2800 and 2802); (6) failure to furnish timely and accurate wage statements, and keep payroll records (Violation of Labor Code §§ 204, 226, 226.3, 1174 and 1174.5; (7) failure to timely pay wages during employment (Violation of Labor Code §§ 201.3, 204, 204b, and 210.); (8) failure to timely pay wages upon termination of employment (Violation of Labor Code §§ 201, 202, and 203); and (9) violation of California's Unfair Competition Law based upon the alleged Labor Code violations (Violation of Business & Professions Code § 17200 et seq.; California Code of Civil Procedure § 1021.5);
- (b) Any claims against Indotronix for injunctive relief, declaratory relief, restitution, alleged or which could have been alleged under the facts,

allegations and/or claims pleaded in the complaints filed as part of the Lawsuit; and

- (c) Any and all other claims against Indotronix under California common law, the federal law, and the California Business and Professions Code alleged in or that could have been alleged under the facts, allegations and/or claims pleaded in the Lawsuit and based on the alleged Labor Code violations.

Except as included in Section J “Release by PAGA Employees (below), Qualified Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Settlement Class Period.

- J. Release by PAGA Employees. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all PAGA Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all PAGA Employees, including those who are Qualified Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts allege in the Lawsuit and resolved by this Settlement.

The PAGA Employees’ Releases for Qualified and Non-Qualified Class Members are as follows:

The claims released by PAGA Employees (regardless of whether they are Qualified Class Members) will include all PAGA claims against Indotronix pleaded in the Lawsuit and PAGA Notice, and/or which could have been alleged against Indotronix based on the facts, allegations and/or claims pleaded in the Lawsuit, against the Released Parties, for work performed during the PAGA Period, including the following: the PAGA Claims against Indotronix set forth in the Lawsuit, specifically PAGA claims for: (1) failure to pay minimum wages (Violations of Labor Code §§ 201.3, 204, 204b, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198); (2) failure to pay overtime wages (Violations of Labor Code §§ 201.3, 204, 204b, 510, 1194 and 1198); (3) failure to provide meal periods or pay premiums in lieu thereof at the regular rate (Violation of Labor Code §§ 226.7 and 512, and the applicable Wage Order); (4) failure to provide rest periods or pay premiums in lieu thereof at the regular rate (Violation of Labor Code §§ 226.7, and the applicable Wage Order); (5) failure to reimburse for business expenses (Violation of Labor Code §§ 2800 and 2802); (6) failure to furnish timely and accurate wage statements, and keep payroll records (Violation of Labor Code §§ 204, 226, 226.3, 1174 and 1174.5); (7) failure to timely pay wages during employment (Violation of Labor Code §§ 201.3, 204, 204b, and 210.); (8) failure to timely pay wages upon termination of employment (Violation of Labor Code §§ 201, 202, and 203); and (9) Violation of the California Private

Attorneys General Act of 2004 (Labor Code §§ 558 and 2698, et seq.) predicated on the facts and/or claims alleged in the Lawsuit and/or PAGA Notice.

#### **4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

- A. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Qualified Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Qualified Class Member.
- B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$10,000.00 by the total number of PAGA Pay Periods worked by all PAGA Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual PAGA Employee.
- C. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Settlement Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until \_\_\_\_\_ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by completing the enclosed "Class Member Dispute Form" and sending it to the Administrator. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Settlement Class Counsel (who will advocate on behalf of Qualified Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

#### **5. HOW WILL I GET PAID?**

- A. Qualified Class Members. The Administrator will send, by U.S. mail, a single check to every Qualified Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as PAGA Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
- B. Non-Qualified Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every PAGA Employee who opts out of the Class Settlement (i.e., every Non-Qualified Class Member).

**Your check will be sent to the same address as this Notice. If you change your**

**address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.**

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

The Administrator will exclude you based on any writing communicating your request be excluded. To exclude yourself, complete the enclosed "Exclusion Form" and send it to the Administrator. Be sure to personally sign your request. You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by \_\_\_\_\_, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

## **7. HOW DO I OBJECT TO THE SETTLEMENT?**

Only Qualified Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 business days before the \_\_\_\_\_ Final Approval Hearing, Settlement Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Settlement Class Counsel is requesting as a Class Representative Service Award. Upon reasonable request, Settlement Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website \_\_\_\_\_ (url) \_\_\_\_\_ or the Court's website <https://www.occourts.org/online-services/case-access/>.

A Qualified Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Settlement Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is \_\_\_\_\_.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Lawsuit as *Joseph Morales v. Indotronix International Corporation* and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection.

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

## 8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on \_\_\_\_\_ at (time) in Department CX101 of the Orange Superior Court, located at the Civil Complex Center at 751 West Santa Ana Boulevard, Santa Ana, California 92701. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Settlement Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Settlement Class Counsel and Defense Counsel before making any decisions. You can attend (or hire a lawyer to attend) either personally or virtually via Zoom (<https://acikiosk.azurewebsites.us/advisement?dept=CX101>). Check the Court's website for the most current information.

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

## 9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Phoenix Settlement Administrators' website at \_\_\_\_\_ (url) \_\_\_\_\_. You can also telephone or send an email to Settlement Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://civilwebshopping.occourts.org/Search.do#searchAnchor>) and entering the Case Number for the Lawsuit, Case No. 30-2023-01339414-CU-OE-CXC.

### **DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.**

#### Settlement Class Counsel:

Name of Attorney: Kashif Haque, Samuel Wong, Jessica L. Campbell, and Elizabeth Robles

Email Address: [erobles@aegislawfirm.com](mailto:erobles@aegislawfirm.com)

Name of Firm: Aegis Law Firm, PC

Mailing Address: 9811 Irvine Center Drive, Suite 100, Irvine, CA 92618

Telephone: (949) 379-6250

#### Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

## 10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund

[https://www.sco.ca.gov/Files-UPD/guide\\_upd\\_claiming.pdf](https://www.sco.ca.gov/Files-UPD/guide_upd_claiming.pdf) for instructions on how to retrieve the funds

## **11. WHAT IF I CHANGE MY ADDRESS?**

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