

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement and Release (“Agreement”) is entered into by and between Dontay Henderson (“Plaintiff Henderson”) and Frederick Denton (“Plaintiff Denton”) (together, “Plaintiffs”), on the one hand, individually and on behalf of the Class to be certified for settlement purposes only, the PAGA Group, and the State of California, and Slakey Brothers, Inc. (“Slakey” or “Defendant”), on the other hand, subject to the approval of the Court. Plaintiffs and Defendant collectively are referred to herein as the “Parties.” In consideration of the promises and mutual covenants and agreements herein contained, the Parties hereby covenant and agree as follows:

1. RECITALS

1.1 On May 25, 2023, David Morton (“Former Plaintiff Morton”) filed a Class Action Complaint against Defendant in the Superior Court of the State of California, County of Sacramento. Former Plaintiff Morton filed a First Amended Complaint (“FAC”) on September 18, 2023, adding a claim under the California Private Attorneys General Act, California Labor Code §§ 2698 *et seq.* (“PAGA”). On October 2, 2023, Former Plaintiff Morton dismissed the individual and class claims, leaving only Former Plaintiff Morton’s PAGA claim remaining. On November 18, 2024, by stipulation of the Parties, Former Plaintiff Morton filed a Second Amended Complaint (“SAC”) adding Plaintiff Henderson as a named plaintiff. Counsel for Former Plaintiff Morton and Plaintiff Henderson dismissed Former Plaintiff Morton’s claims against Defendant on December 16, 2024, due to Former Plaintiff Morton’s death during the pendency of the action. Therefore, Plaintiff Henderson is now the only named plaintiff in the action entitled *David Lyn Morton, Dontay Henderson v. Slakey Brothers, Inc.*, Case No. 23CV002315 (the “Henderson Action”). The Henderson Action only involves a claim under PAGA. In addition to a PAGA claim related to all current and former non-exempt employees, the PAGA claim is also based on the contention that Defendant’s current and former employees in the roles of Technical Product Specialist and Specialized Inside Sales Representative were misclassified as exempt employees.

1.2 On October 30, 2023, Plaintiff Denton filed a class action and representative action complaint against Defendant in the Superior Court of the State of California, County of Sacramento (the

“Complaint”), thereby commencing the action *Frederick Denton v. Slakey Brothers, Inc.*, Case No. 23CV010792 (the “Denton Action”). The Denton Action includes both class claims and a PAGA claim.

1.3 Under this Agreement, to implement this Settlement, Plaintiff Denton, upon being granted leave by the Court, will file a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code §§ 2698, *Et. Seq.* (“First Amended Complaint” or “Operative Complaint”) in the Denton Action that will add Plaintiff Henderson as a named plaintiff and all claims and factual allegations asserted the Henderson Action, substantially in the form attached hereto as “**Exhibit B.**” The Parties will execute and submit a stipulation regarding the filing of the First Amended Complaint with the Court, or will seek leave to file the First Amended Complaint by way of the motion for preliminary approval, whichever approach facilitates obtaining preliminary approval the soonest. To further implement this Settlement, Plaintiff Henderson will dismiss the Henderson Action upon filing of the First Amended Complaint in the Denton Action. Thus, the First Amended Complaint in the Denton Action (the “Action”) will become the operative pleading and upon which the Released Class Claims and Released PAGA Claims are based.

1.4 Defendant will file an Answer to the First Amended Complaint in the Denton Action. Defendant previously filed Answers to each of the initial complaints in the Henderson Action and Denton Action and the FAC and SAC in the Henderson Action, and each Answer generally denied all of the allegations contained the actions and asserted a number of separate and additional defenses.

1.5 The Operative Complaint includes causes of action alleging: (1) failure to pay overtime wages; (2) unpaid meal period premiums; (3) unpaid rest period premiums; (4) failure to pay minimum wage; (5) waiting time penalties; (6) wages not timely paid during employment; (7) wage statement violations; (8) failure to keep requisite payroll records; (9) failure to reimburse employees’ business expenses; (10) unfair competition; and (11) civil penalty liability under PAGA.

1.6 The Parties decided to explore the possibility of a private mediation to see if they could reach a reasonable early settlement before they invested significant time and expense in litigation.

1.7 Collectively, the Parties engaged in informal discovery and an exchange of information and documents in connection with the anticipated mediation, including but not limited to Defendant’s

provision of putative class members' anonymized hire and termination information, time and pay records, Plaintiffs' personnel files and wage statements, and policies relevant to Plaintiffs' claims.

1.8 In these and other ways, the Parties investigated the facts and analyzed the relevant legal issues with regard to the claims Plaintiffs allege in the Operative Complaint and Defendant's defenses to them. Based on this investigation and analysis, Plaintiffs believe the Action has merit, while Defendant believes the Action has no merit.

1.9 On November 19, 2024, the Parties participated in a mediation of the Henderson Action and the Denton Action with well-qualified wage and hour mediator Steve Rottman. The Parties did not reach a settlement that same day, and Mr. Rottman issued a mediator's proposal. On November 26, 2024, the Parties agreed to resolve the Henderson Action and the Denton Action in their entirety by accepting the mediator's proposal.

1.10 The Parties have each considered the uncertainties of continued litigation and the benefits to be obtained under the proposed settlement, and have considered the costs, risks, and delays associated with the continued prosecution of the Action and the likely appeals of any rulings.

1.11 The Parties, through their counsel, have engaged in arm's-length negotiations concerning a resolution of the Action, Released Class Claims, and Released PAGA Claims.

1.12 It is the Parties' intention and the objective of this Agreement to avoid the costs of further litigation and trial, and to settle and dispose of, fully and completely and forever, the claims released herein and described below.

2. DEFINITIONS

As used in this Agreement, the terms set forth in this Section 2 shall have the meanings ascribed to them below.

2.1 **Action.** "Action" means the above-captioned action titled *Frederick Denton v. Slakey Brothers, Inc.*, Case No. 23CV010792, which as amended in the First Amended Complaint, includes Dontay Henderson as a named plaintiff and the allegations and claims asserted in the Henderson Action. The Denton Action is currently pending in the Superior Court of the State of California, County of Sacramento. The Henderson Action will be dismissed to implement this Settlement.

2.2 **Agreement.** “Agreement” means this Class Action and PAGA Agreement and Release, including Exhibit A referred to herein and attached hereto (as well as the Spanish language version of Exhibit A).

2.3 **Allocations.** “Allocations” means the amounts to be paid from the Net Settlement Sum to the Settlement Class Members and from the PAGA Fund to the PAGA Group Members, as provided in Section 4.5 of this Agreement.

2.4 **Class Counsel.** “Class Counsel” means Arby Aiwazian, Joanna Ghosh, Brian J. St. John, and Maria Halwadjian of Lawyers *for* Justice, PC and Kane Moon, Lilit Ter-Astvatsatryan, and Holly Williams of Moon Law Group PC.

2.5 **Class Information List.** “Class Information List” means the information regarding Class Members, based on Defendant’s data, that Defendant will provide to the Settlement Administrator, pursuant to Section 4.2.1 of this Agreement, including, with respect to each Class Member: (i) last known full name, (ii) last known mailing address, (iii) last known telephone number, (iv) Social Security number, (v) individual number of Class Workweeks during the Class Period, and (vi) individual number of PAGA Pay Periods during the PAGA Period (if applicable).

2.6 **Class Members or Class.** “Class Members” or “Class” means the following groups of employees: (a) all current and former non-exempt employees who worked for Defendant in California as a non-exempt employee at any time during the Class Period; and (b) all current and former employees who were employed, classified, and paid as exempt employees in the job title Technical Product Specialist (“TPS”) or Specialized Inside Sales Representative (“Specialized ISR”) by Defendant in California during the Class Period.

2.7 **Class Notice.** “Class Notice” or “Notice Packet” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, which shall be mutually agreed upon by the Parties, subject to Court approval, and mailed by the Administrator to Class Members in English and Spanish in the form, without material variation, attached as **Exhibit A** (English version) and incorporated by reference into this Agreement.

2.8 **Class Period.** “Class Period” means from April 27, 2020 to and including the date the Court grants preliminary approval of the Class Settlement and PAGA Settlement.

2.9 **Class Settlement.** “Class Settlement” means the settlement and resolution of all Released Class Claims, as defined in Section 2.39, below.

2.10 **Class Settlement Award.** “Class Settlement Award” means the amount that the Settlement Administrator determines is owed to a Settlement Class Member pursuant to the Plan of Allocation described in Section 4.5, below.

2.11 **Class Workweeks.** For Class Members, “Class Workweeks” means Workweeks worked by each Class Member as an hourly-paid, non-exempt employee in California during the Class Period and excludes any Workweeks during which a Class Member was on a leave of absence or otherwise absent from work. “Class Workweeks” also means Workweeks worked by Class Members as an exempt TPS or Specialized ISR during the Class Period, excluding any Workweeks during which a Class member was on a leave of absence or otherwise absent from work. All Class Members will be credited with at least one Workweek. No Class Members are entitled to payment for the same Workweek twice. Class Workweeks shall be included in the Class Information List. Settlement Class Members may dispute the number of Class Workweeks they worked during the Class Period by following the instructions in set forth in the Class Notice.

2.12 **Counsel for Defendant.** “Counsel for Defendant” means Davis Wright Tremaine LLP.

2.13 **Court.** “Court” means the Superior Court of the State of California, County of Sacramento.

2.14 **Defendant.** “Defendant” means Defendant Slakey Brothers, Inc.

2.15 **Denton.** “Denton” means Plaintiff Frederick Denton.

2.16 **Effective Date.** “Effective Date” means either: (a) the date of the Final Approval Order and Judgment if no Objections are filed; or (b) if Objections are filed and overruled and no appeal is taken, then sixty-five (65) calendar days after the entry of the Judgment; or (c) if an appeal is taken from the Court’s overruling of Objections to the Settlement, then twenty (20) calendar days after the appeal is dismissed or after an appellate decision affirming the Judgment becomes final and non-appealable.

2.17 **Fee and Expense Award.** “Fee and Expense Award” means such award of attorneys’ fees and costs/expenses as the Court may authorize to be paid to Class Counsel for the services they have rendered in the Action as contemplated in Section 3.5 of this Agreement.

2.18 **Final Approval Hearing.** “Final Approval Hearing” means the hearing at or after which the Court will make a final decision on whether to grant Final Approval of the Settlement as fair, reasonable, and adequate, implement the terms of this Agreement, and enter Judgment. The Final Approval Hearing shall be scheduled for a date approximately one hundred and twenty (120) days after the Preliminary Approval Date.

2.19 **Final Approval or Judgment.** “Final Approval” or “Judgment” means the Final Approval Order and Judgment finally certifying the Settlement Class and approving the Settlement and this Agreement, as contemplated in Section 4.7 of this Agreement.

2.20 **Gross Settlement Amount.** “Gross Settlement Amount” means the maximum total amount that Defendant shall be required to pay collectively, exclusive of Defendant’s share of Withholdings and Taxes (as defined herein), for any and all purposes under this Agreement, except as set forth in Section 3.1. The Gross Settlement Amount shall be One Million Six Hundred Thousand Dollars and No Cents (\$1,600,000.00). The following shall be paid from the Gross Settlement Amount pursuant to the Plan of Allocation set forth in Section 4.5, below: (a) Class Settlement Awards, (b) PAGA Settlement Amount, (c) Fee and Expense Award, (d) Service Payments, and (e) Settlement Administration Costs. Under no circumstances shall Defendant pay any sum in excess of the Gross Settlement Amount in connection with the Settlement, except for Defendant’s share of Withholdings and Taxes arising from the Class Settlement Awards.

2.21 **Henderson.** “Henderson” means Plaintiff Dontay Henderson.

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

2.23 **Net Settlement Sum.** “Net Settlement Sum” means the Gross Settlement Amount less the following: (a) the Fee and Expense Award, (b) the PAGA Settlement Amount, (c) the Service Payments, and (d) the Settlement Administration Costs.

2.24 Notice Response Deadline. “Notice Response Deadline” is sixty (60) calendar days from the date of initial mailing of the Notice Packet, or such other date set by the Court in the Preliminary Approval Order, and is the date by which any and all Requests for Exclusion, Objections, and disputes regarding Workweeks must be submitted in order to be deemed timely. In the event that a Notice Packet is re-mailed to a Class Member, the Notice Response Deadline for that Class Member shall be extended by fifteen (15) calendar days from the date of the original Notice Response Deadline.

2.25 Objection. “Objection” means a written statement submitted to the Settlement Administrator by a Settlement Class Member objecting to the Class Settlement. An Objection must be submitted in the manner and form described in Section 4.4, below.

2.26 PAGA Fund. “PAGA Fund” means 25% of the PAGA Settlement Amount, which is the portion to be paid to PAGA Group Members.

2.27 PAGA Group Members. “PAGA Group Members” or “PAGA Group” means: (a) all current and former non-exempt employees who worked for Defendant in California as a non-exempt employee at any time during the PAGA Period; and (b) all current and former employees who were employed, classified, and paid as exempt employees in the job titles TPS or Specialized ISR by Defendant in California during the PAGA Period.

2.28 PAGA Notices. “PAGA Notices” means, collectively, the notice submitted by Plaintiff Morton to the LWDA and Defendant regarding Defendant pursuant to Labor Code section 2699.3, subd. (a) on or about May 20, 2023 and the notice submitted by Plaintiff Denton to the LWDA and Defendant regarding Defendant pursuant to Labor Code section 2699.3, subd. (a) on or about August 24, 2023.

2.29 PAGA Period. The “PAGA Period” is from May 20, 2022 through and including the date the Court grants Preliminary Approval.

2.30 PAGA Settlement. “PAGA Settlement” means the settlement and resolution of the PAGA claims alleged in the Action.

2.31 PAGA Settlement Amount. “PAGA Settlement Amount” means One Hundred Thousand Dollars and No Cents (\$100,000.00) or such other amount approved by the Court, 75% of which is to be paid to the LWDA and 25% of which is to form the PAGA Fund to be paid to PAGA

Group Members as described in Section 4.5, below. The PAGA Settlement Amount is to be paid for resolution of the PAGA claims alleged in the Action.

2.32 PAGA Settlement Award. “PAGA Settlement Award” means the amount that the Settlement Administrator determines is owed to a PAGA Group Member pursuant to the Plan of Allocation described in Section 4.5, below.

2.33 PAGA Pay Periods. “PAGA Pay Periods” means pay periods worked by each PAGA Group Member for Defendant as an hourly-paid, non-exempt employee in California during the PAGA Period and excludes any pay periods during which a PAGA Group Member was on a leave of absence or otherwise absent from work. “PAGA Pay Periods” also means pay periods during which a PAGA Group Member worked for Defendant and was classified and paid as an exempt TPS or Specialized ISR during the PAGA Period, excluding any pay periods during which the PAGA Group Member was on a leave of absence or otherwise absent from work. All PAGA Group Members will be entitled to payment for at least one PAGA Pay Period. No PAGA Group Members are entitled to payment for the same pay period twice. PAGA Pay Periods shall be included in the Class Information List.

2.34 Parties. “Parties” means Plaintiffs Henderson and Denton, and Defendant Slakey Brothers, Inc. (they are referred to individually as a “Party” and collectively as the “Parties”).

2.35 Plaintiffs. “Plaintiffs” means Henderson and Denton (they are referred to individually as a “Plaintiff” and together as “Plaintiffs”).

2.36 Plan of Allocation. “Plan of Allocation” means the manner in which the Net Settlement Sum shall be allocated to Settlement Class Members and the PAGA Fund shall be allocated to PAGA Group Members, as specified in Section 4.5, below.

2.37 Preliminary Approval or Preliminary Approval Order. “Preliminary Approval” or “Preliminary Approval Order” means the order preliminarily approving the Settlement, which shall, among other things, provisionally certify the Settlement Class for purposes of the Settlement only; determine that Plaintiffs adequately represent the Settlement Class and shall be its class representatives; appoint Class Counsel as counsel for the Settlement Class; approve ILYM Group, Inc. as the Settlement Administrator; approve the content and distribution of the Notice Packet to the Class Members; set the

Notice Response Deadline; and set the date for the Final Approval Hearing, all as contemplated in Section 4.1 of this Agreement.

2.38 Preliminary Approval Date. “Preliminary Approval Date” means the date upon which the Court enters the Preliminary Approval Order.

2.39 Released Class Claims. “Released Class Claims” means all claims, debts, liabilities, demands, obligations, damages, and actions or causes of action of any kind, for the duration of the Class Period, that are alleged in the Operative Complaint for the Action that will be filed by Plaintiffs pursuant to Section 1.3 of this Agreement, or that could have been alleged against any of the Released Parties based on the facts asserted in the Denton Action complaint, Henderson Action SAC, or the Operative Complaint for the Action that will be filed by Plaintiffs pursuant to Section 1.3 of this Agreement, including (without limitation) claims for any and all alleged or actual failures to timely, fully, properly, or completely pay any minimum wages, regular wages, overtime or double time premium wages, meal or rest period premiums, or other alleged wages owed, including failure to pay overtime or double time wages at the regular rate of pay (including but not limited to Labor Code sections 510, 1198, 1194, 1194.2, 1197, 1197.1); any and all alleged or actual failures to comply with meal or rest period requirements (including but not limited to Labor Code sections 226.7 and 512); any and all alleged or actual failures to provide proper, accurate, timely, adequately descriptive, or complete wage statements or pay stubs (including but not limited to Labor Code section 226); any and all alleged or actual failures to pay all wages or compensation owed to fired, resigning, or otherwise terminated employees (including but not limited to Labor Code sections 201, 202, and 203); any and all alleged or actual failure to fully or properly reimburse or indemnify employment-related expenses (including but not limited to Labor Code Sections 2800 and 2802); any and all alleged or actual unfair business practices; any and all alleged or actual failure to properly classify employees as exempt from overtime and other requirements under California and federal law; any and all alleged or actual failure to keep accurate payroll records (including but not limited to Labor Code section 1174); any and all alleged or actual failures to pay employees in compliance with Labor Code section 204; any and all claims that employees were misclassified as exempt; and any and all alleged or actual failures to pay any interest or

penalties owed as a result of any and all of the foregoing (including but not limited to Labor Code sections 210, 226.3, and 558).

2.40 Released PAGA Claims. “Released PAGA Claims” means all claims for civil penalties under PAGA for the duration of the PAGA Period that were alleged in the Denton Action complaint filed on October 30, 2023, in the Henderson Action SAC filed on November 18, 2024, in the Operative Complaint for the Action that will be filed by Plaintiffs pursuant to Section 1.3 of this Agreement, or any of the PAGA Notices, or that could have been alleged based on the facts asserted in the Denton Action complaint filed on October 30, 2023, in the Henderson Action SAC filed on November 18, 2024, in the Operative Complaint for the Action that will be filed by Plaintiffs pursuant to Section 1.3 of this Agreement, or in any of the PAGA Notices, against any of the Released Parties, including (without limitation) for any and all alleged or actual failures to timely, fully, properly, or completely pay any minimum wages, regular wages, overtime or double time premium wages, meal or rest period premiums, or other alleged wages owed, including failure to pay overtime or double time wages at the regular rate of pay (including but not limited to Labor Code sections 510, 1198, 1194, 1194.2, 1197, 1197.1); any and all alleged or actual failures to comply with meal or rest period requirements (including but not limited to Labor Code sections 226.7 and 512); any and all alleged or actual failures to provide proper, accurate, timely, adequately descriptive, or complete wage statements or pay stubs (including but not limited to Labor Code section 226); any and all alleged or actual failures to pay all wages or compensation owed to fired, resigning, or otherwise terminated employees (including but not limited to Labor Code sections 201, 202, and 203); any and all alleged or actual failure to fully or properly reimburse or indemnify employment-related expenses (including but not limited to Labor Code Sections 2800 and 2802); any and all alleged or actual unfair business practices; any and all alleged or actual failure to properly classify employees as exempt from overtime and other requirements under California and federal law; any and all alleged or actual failure to keep accurate payroll records (including but not limited to Labor Code section 1174); any and all alleged or actual failures to pay employees in compliance with Labor Code section 204; any and all claims that employees were misclassified as

exempt; and any and all alleged or actual failures to pay any interest or penalties owed as a result of any and all of the foregoing (including but not limited to Labor Code sections 210, 226.3, and 558).

2.41 Released Parties. “Released Parties” means Defendant Slakey Brothers, Inc., and all affiliated predecessor and successor entities, and each such entity’s respective present and former subsidiaries, affiliates, parents, agents, executive-, management-, and supervisor-level employees, members, investors, partners, owners, directors, officers, attorneys, trustees, insurers, representatives, predecessors, successors and assigns.

2.42 Request for Exclusion. “Request for Exclusion” means a written request made by a Class Member to the Settlement Administrator seeking to be excluded from the Class Settlement.

2.43 Service Payment. “Service Payment” means the payment authorized by the Court to each Plaintiff, if any, as contemplated in Section 3.7 of this Agreement.

2.44 Settlement. “Settlement” means this Agreement and all actions taken pursuant to and in furtherance of this Agreement.

2.45 Settlement Administration Costs. “Settlement Administration Costs” means the amounts approved by the Court to be paid for the services of the Settlement Administrator to perform the duties of settlement administrator, as specified in Section 4.2.2, below. It is estimated that the Settlement Administration Costs will not exceed \$9,950.00.

2.46 Settlement Administrator. “Settlement Administrator” means ILYM Group, Inc., or such other administrator as may be approved by the Court which shall be responsible for administering the Settlement pursuant to the terms of the Agreement, the Class Notice, the Preliminary Approval Order, and the Final Approval Order and Judgment. The Settlement Administrator shall agree to confidentiality terms as may be required by Defendant regarding the data provided to the Settlement Administrator and shall work with Class Counsel and Counsel for Defendant to implement and administer appropriate fraud-prevention policies. The Settlement Administration Costs shall be paid out of the Gross Settlement Amount, subject to Court approval.

2.47 Settlement Class. “Settlement Class” means Plaintiffs and all Settlement Class Members.

2.48 **Settlement Class Member.** “Settlement Class Member” means each Class Member who does not submit a valid and timely Request for Exclusion.

2.49 **Settlement Fund.** “Settlement Fund” means the fund established and administered by the Settlement Administrator for the purpose of receiving and disbursing amounts to be paid to Settlement Class Members, PAGA Group Members, the LWDA, Plaintiffs, Class Counsel, and the Settlement Administrator pursuant to this Agreement. The Settlement Fund shall be funded by Defendant following the Effective Date in accordance with Section 4.9.1, below.

2.50 **Withholdings and Taxes.** “Withholdings and Taxes” means all withholdings from the Class Settlement Awards required by law plus all federal, state, and local employment payroll taxes due in regard to the wages portion of Class Settlement Awards, owed by a Settlement Class Member or by Defendant. Defendant shall provide the Settlement Administrator with an amount sufficient to cover its share of Withholdings and Taxes arising from the Class Settlement Awards, as computed by the Settlement Administrator in accordance with Section 4.6, below.

2.51 **Workweek.** “Workweek” means any week during which a Class Member worked for Defendant in California for at least one day, during the Class Period.

3. SETTLEMENT TERMS

3.1 **Class Workweeks.** Based on information readily available to Defendant, Defendant estimates there were 898 Class Members who collectively worked 68,705 Workweeks as of November 19, 2024. This data will be updated and included in the Class Information List that Defendant will provide to the Settlement Administrator, pursuant to Section 4.2.1 of this Agreement.

3.2 **Certification of the Settlement Class.** For purposes of settlement and the proceedings contemplated by this Agreement only, the Settlement Class shall be provisionally certified and consist of Plaintiffs and all Class Members.

3.3 **Decertification of the Settlement Class if Settlement Not Approved.** Defendant does not consent to certification of the Settlement Class or any settlement class for any purpose other than to effectuate the settlement of the Action. If, for any reason, the Settlement does not become final, any certification of the Settlement Class or any settlement class in the Action will be vacated and the Parties

will be returned to their positions with respect to the Action as if this Agreement had not been entered into. In the event that Final Approval is not achieved: (a) any Court order preliminarily approving the certification of any class contemplated by this Agreement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the fact of the Settlement reflected in this Agreement, that Defendant did not oppose the certification of the Settlement Class under this Agreement, or that the Court preliminarily approved the certification of the Settlement Class, shall not be used or cited thereafter by any person or entity in any manner whatsoever, including without limitation in any contested proceeding relating to the certification of any class. In the event the Court declines to approve the terms and conditions of this Agreement without requiring the Parties to make substantial and material modifications, Defendant and Plaintiffs each reserve the right to declare this Agreement null and void, in its or their sole discretion, within fourteen (14) days thereafter; *provided, however*, that the Party exercising this right must do so in writing provided to counsel for the non-exercising Parties, and the Party exercising the right shall be solely responsible for the Settlement Administrator's expenses incurred through the date of that Party's exercise, not to exceed the amount approved by the Court in the Preliminary Approval Order.

3.4 Settlement Payment by Defendant. In full settlement of the Released Class Claims and Released PAGA Claims, as provided herein, and following the Effective Date, Defendant shall deliver the Gross Settlement Amount to the Settlement Administrator for establishment of the Settlement Fund, in accordance with Section 4.9.1, below. Concurrently with the delivery of the Gross Settlement Amount, Defendant shall also deliver to the Settlement Administrator an amount sufficient to cover its share of the Withholdings and Taxes, as calculated by the Settlement Administrator based on the wage portion of the Class Settlement Awards.

3.5 Attorneys' Fees and Expenses. Defendant agree not to oppose Plaintiffs' application for attorneys' fees in an amount up to one third of the Gross Settlement Amount (*i.e.*, the amount up to Five Hundred Thirty-Three Thousand, Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$533,333.33), if the Gross Settlement Amount remains at \$1.6 million) and reimbursement of litigation costs and expenses in an amount not to exceed Fifty Thousand Dollars and No Cents (\$50,000.00),

subject to the Court's approval. Plaintiffs agree not to petition the Court for an award of attorneys' fees or reimbursement of litigation costs and expenses in excess of these amounts, and in no event shall Defendant be liable for any attorneys' fees or costs in excess of these amounts. The Fee and Expense Award shall represent payment for all claims for Class Counsel's attorneys' fees and litigation costs and expenses, past and future, incurred in the Denton Action, Henderson Action, and the Action. The Fee and Expense Award shall be paid from the Gross Settlement Amount, and Defendant shall not otherwise be required to pay for any portion of Plaintiffs' or the Class Members' attorneys' fees, costs, or expenses. The Fee and Expense Award shall be paid to Class Counsel following the Effective Date, in accordance with Section 4.9.2, below. An award by the Court of attorneys' fees or costs that is less than the amounts applied for will not be grounds for Plaintiffs or Class Counsel to challenge or withdraw from the Settlement, and any amounts not awarded in costs or fees will be included in the Net Settlement Sum.

3.6 PAGA Settlement Amount. Plaintiffs shall seek approval from the Court for a total payment of \$100,000.00 for resolution of the PAGA claims alleged in the Action. 75% of the PAGA Settlement Amount (equating to \$75,000) shall be paid to the LWDA, and 25% of the PAGA Settlement Amount (equating to \$25,000) shall form the PAGA Fund to be paid to PAGA Group Members in accordance with the Plan of Allocation set forth in Section 4.5, below.

3.7 Service Payments. Defendant agrees not to oppose Plaintiffs' application for Service Payments of up to Seven Thousand Five Hundred Dollars and No Cents (\$7,500) for each Plaintiff (for a total of \$15,000), which shall be compensation for Plaintiffs' efforts as class and PAGA representatives in furtherance of litigating and resolving the Action, and in consideration of Plaintiffs' general release of claims set forth in Section 5.6, below. Each Service Payment shall be reported by the Settlement Administrator on IRS Form 1099-MISC as non-wage income and provided by it to the Plaintiff receiving the Service Payment as well as applicable governmental authorities. The Service Payments are separate from and in addition to any Class Settlement Awards and PAGA Settlement Awards to be paid to Plaintiffs as Settlement Class Members and PAGA Group Members hereunder.

3.8 **Interim Stay of Proceedings.** The Parties agree to the entry of a formal stay of all proceedings in the Action, including with respect to Code of Civil Procedure section 583.310, except such proceedings as may be necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

4. **CLASS SETTLEMENT PROCEDURES**

4.1 **Preliminary Approval.** As soon as practicable, Plaintiffs shall move for Preliminary Approval of the Settlement. Plaintiffs' motion shall request the Court to:

- 4.1.1 Preliminarily approve this Agreement as fair, reasonable, and adequate;
- 4.1.2 Preliminarily approve the form, manner and content of the Class Notice described in Section 4.2 and attached as **Exhibit A** (as well as the Spanish version of Exhibit A);
- 4.1.3 Set deadlines for the Settlement Administrator to mail the Class Notice, and for Class Members to opt out of the Class Settlement or object to the Class Settlement;
- 4.1.4 Set the date and time for the Final Approval Hearing;
- 4.1.5 Provisionally certify the Class for settlement purposes only;
- 4.1.6 Stay all proceedings in the Action until Final Approval;
- 4.1.7 Appoint Plaintiffs as class representatives for settlement purposes only;
- 4.1.8 Appoint Class Counsel as class counsel for settlement purposes only; and
- 4.1.9 Approve ILYM Group, Inc. as the Settlement Administrator.

Class Counsel shall draft the preliminary approval papers and give Counsel for Defendant a draft of the papers to review at least seven (7) court days before they are filed.

4.2 **Class Notice.** Subject to Court approval, the Parties agree that as soon as practicable after entry of the Preliminary Approval Order, the Settlement Administrator shall provide notice to the Settlement Class pursuant to the following procedures:

4.2.1 **Information Regarding Class Members.** Within thirty (30) days following entry of the Preliminary Approval Order, Defendant will provide the Settlement Administrator the following information, based on Defendant's data, with respect to each Class Member: (i) last known full name, (ii) last known mailing address, (iii) last known telephone number, (iv) Social Security

number, (v) individual number of Class Workweeks during the Class Period, and (vi) individual number of PAGA Pay Periods during the PAGA Period (if applicable) (together, this information is the “Class Information List”). The Class Information List, along with any updated contact information identified by the Settlement Administrator as set forth in Sections 4.2.2 and 4.2.3, below, shall be used solely to administer the Class Notice and Plan of Allocation process described herein, shall remain confidential, and shall not be disclosed to anyone, except pursuant to the express written authorization of Defendant or the individual in question, by order of the Court, or to the extent necessary to fulfill the Settlement Administrator’s reporting obligations hereunder. Nevertheless, the Settlement Administrator may share with Class Counsel redacted information (*i.e.*, redacting Social Security numbers and mailing addresses) regarding submissions or requests by Class Members, PAGA Group Members, or those claiming to be Class Members or PAGA Group Members.

4.2.2 Settlement Administrator’s Duties. The Settlement Administrator’s duties shall include, without limitation: (i) preparing, translating, printing and mailing to the Class Members the Notice Packet as directed by the Court; (ii) taking all steps reasonably necessary to ensure Class Members timely receive the Notice Packet; (iii) resolving any disputes by Settlement Class Members about the number of Class Workweeks attributed to them; (iv) taking receipt of and safeguarding the Gross Settlement Amount; (v) calculating and distributing Class Settlement Awards, PAGA Settlement Awards, the portion of the PAGA Settlement Amount payable to the LWDA, the Service Payments, the Fee and Expense Award, and the Settlement Administration Costs, provided such amounts are approved by the Court; (vi) calculating and remitting all Withholdings and Taxes; (vii) issuing IRS Forms W-2 and 1099-MISC, as applicable; and (viii) filing such other reports with the taxing authorities as required by law, together with such other tasks as the Parties may mutually agree or the Court may order the Settlement Administrator to perform. The Settlement Administrator shall take all reasonable steps to ensure that (a) the highest percentage of Class Members receive the Notice Packet and (b) it has the most current and accurate addresses for Class Members, including, but not limited, to performing an initial National Change of Address database search on all Class Members. The Settlement Administrator shall also provide toll-free telephone support to Class Members and make a copy of this

Agreement, the Preliminary Approval Order, and the Final Approval Order and Judgment available on a portion of its website; maintain appropriate databases to fulfill its duties; receive, control, and account for all returned Notice Packets and submissions received for containing disputes regarding Workweeks and Pay Periods, Requests for Exclusion, and Objections; calculate the Settlement Class Members' and PAGA Group Members' payments; and prepare and deliver reports to Class Counsel and Counsel for Defendant on a weekly basis that communicate the status of the notice process, including the number of Notice Packets mailed, returned, searched, and re-mailed as well as any and all disputes regarding Workweeks and Pay Periods, Requests for Exclusion, and Objections that it has received. In addition to the duties identified above, the Settlement Administrator shall prepare final declarations, reports, and invoices that accurately describe the notice process, the level of participation, and actions taken to ensure the best possible notice of the Settlement was provided to Class Members. Prior to the Final Approval Hearing, the Settlement Administrator shall provide Class Counsel with a declaration that attaches all Requests for Exclusion and Objections that it receives, as one or more exhibits, for filing with the Court.

4.2.3 Mailing of Notice Packet to Class Members. No later than ten (10) business days following receipt of the Class Information List, the Settlement Administrator shall mail the Notice Packet to all Class Members in English and Spanish. The Settlement Administrator shall send a copy of the Notice Packet in the format approved by the Court in its Preliminary Approval Order to Class Members, via first-class U.S. mail, using the most current mailing address. Any Notice Packets returned to the Settlement Administrator within thirty (30) calendar days of the initial mailing of the Notice Packet, with a forwarding address, shall be immediately re-mailed by the Settlement Administrator. The Settlement Administrator shall conduct one skip trace address search for any Class Member's Notice Packet that is returned to the Settlement Administrator within thirty (30) calendar days of the initial mailing of the Notice Packet without a forwarding address and shall, upon obtaining a new or different address, immediately re-mail the Class Member's Notice Packet. Plaintiffs, Defendant, and their respective counsel each agree that, other than as provided in this Agreement, they will not distribute or

make available any documents, notices, or information regarding these Action or the Settlement to any Class Member, unless a specific request is first made by the Class Member.

4.3 Requests for Exclusion/Opt-Outs. Class Members who wish to be excluded from or opt out of the Class Settlement must submit a written, signed Request for Exclusion to the Settlement Administrator, on or prior to the Notice Response Deadline.

4.3.1 Contents of Request. The Request for Exclusion must contain (i) a reference to the names and case number of the Action (*Frederick Denton v. Slakey Brothers, Inc.*, Case No. 23CV010792); (ii) the full name, signature, address, telephone number, and last four digits of the Social Security number of the person requesting to be excluded from the Class Settlement; (iii) the words “Request for Exclusion” at the top of the document; and (iv) the statement: “I wish to be excluded from the Settlement of this case.”

4.3.2 Personal Signatures. The Request for Exclusion must be personally signed by the Class Member who seeks to opt out of the Class Settlement. No Class Member may opt out by having a request to opt out submitted by an actual or purported attorney or agent acting on behalf of the Class Member. No opt out request may be made on behalf of a group of Class Members.

4.3.3 Timeliness. For purposes of determining timeliness, Requests for Exclusion shall be deemed to have been submitted on the date postmarked by the U.S. Postal Service or other delivery service. The Settlement Administrator shall stamp the date received on the original of any Request for Exclusion it receives. Not later than fifteen (15) days after the Notice Response Deadline set by the Court, the Settlement Administrator will inform Class Counsel and Counsel for Defendant of the total number of Settlement Class Members who timely submitted valid Requests for Exclusion. Not later than ten (10) business days before the date set for the Final Approval Hearing, the Settlement Administrator shall serve copies of all date-stamped Requests for Exclusion on Class Counsel and Counsel for Defendant as well as a declaration describing the Class Notice procedures and listing the names of the individuals who submitted valid and timely Requests for Exclusion. The Settlement Administrator shall retain the originals of all Requests for Exclusion in its files. Counsel for the Parties

shall not use or disclose the information thus received for any purpose other than the effectuation of the Settlement.

4.3.4 Non-Opt-Outs Bound to Class Settlement. Each Class Member who does not submit a Request for Exclusion substantially in compliance with this Section 4.3 on or prior to the deadline set by the Court is a Settlement Class Member and shall be bound by the Class Settlement and any Court order approving the terms of the Class Settlement.

4.3.5 Resolution of Disputes. In the event of any issue over the completeness, accuracy, timeliness, or validity of a Request for Exclusion, the Parties shall meet and confer in good faith for the purpose of resolving the issue and, if the issue cannot be resolved, shall submit the dispute to the Settlement Administrator for a final and binding determination that shall not be appealable.

4.3.6 Defendant's Right to Rescind. If more than three percent (3%) of the Class Members opt out of the Class Settlement, then Defendant shall have the option, in its sole discretion, to rescind this Agreement. If Defendant exercises this option, Defendant's obligations under this Agreement shall cease to be of any force or effect, and this Agreement shall be null and void. If Defendant exercises this option, it shall provide Class Counsel with written notice of its election within thirty (30) days of the Notice Response Deadline set by the Court, with a copy to the Settlement Administrator, at which point the Parties shall return to their respective positions that existed before the execution of this Agreement, and no term of this Agreement or any draft thereof, or the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect or be admissible as evidence for any purpose in the Action, or in any other proceeding. If Defendant exercises the option to rescind this Agreement pursuant to this Section, it shall pay the Settlement Administrator's costs related to this Settlement.

4.3.7 No Right to Exclusion by PAGA Group Members. Because the Settlement resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as a proxy and as a private attorney general of, and for, the State of California and the LWDA, the Parties agree that no PAGA Group Member has the right to exclude themselves from the PAGA Settlement. Each PAGA Group Member shall be bound by the terms of the PAGA Settlement, upon its approval by the Court, regardless

of whether they requested exclusion from the Class Settlement, and thus is not a Settlement Class Member, and regardless of whether they cash the PAGA Settlement Award issued to them.

4.4 Objections. Only Settlement Class Members (*i.e.*, those Class Members who have not excluded themselves from the Class Settlement) may object to the Class Settlement. If a Class Member submits both a valid Request for Exclusion and an Objection, the Class Member will be excluded from the Class Settlement, and the Objection will not be considered.

4.4.1 Manner of Objecting. Settlement Class Members who wish to object to the Class Settlement must submit to the Settlement Administrator a signed, written statement objecting to the Settlement (“Objection”). An Objection must contain: (i) a reference to the names and case number of the Action (Frederick Denton v. Slakey Brothers, Inc., Case No. 23CV010792); (ii) the full name, signature, address, telephone number and last four digits of the Social Security number of the objecting Settlement Class Member; (iii) a written statement of the grounds for objecting to the Class Settlement along with any authority the Settlement Class Member intends to rely on in support of their objection; and (iv) a written statement of whether the Settlement Class Member intends to appear at the Final Approval Hearing and whether they are represented by counsel. Written Objections must be submitted to the Settlement Administrator, by U.S. mail, postmarked no later than the Notice Response Deadline. Settlement Class Members may, but are not required to, appear at the Final Approval Hearing. Alternatively, a Settlement Class Member can object (or personally retain a lawyer to object) by attending the Final Approval Hearing and presenting their objection to the Class Settlement orally. A Settlement Class Member is not required to appear, either personally or through counsel, at the Final Approval Hearing in order for a written objection to be considered.

4.4.2 No Right to Objection by PAGA Group Members. Because the Settlement resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as a proxy and as a private attorney general of, and for, the State of California and the LWDA, the Parties agree that no PAGA Group Member has the right to object to the PAGA Settlement, regardless of whether or not they have objected to the Class Settlement as a Settlement Class Member.

4.5 Plan of Allocation: Calculation of All Settlement Awards. The Settlement Administrator shall be responsible for the Allocations of the Net Settlement Sum to Settlement Class Members and of the PAGA Fund to PAGA Group Members and, thereby, for determining the Class Settlement Awards and the PAGA Settlement Awards, all to be paid on a *pro rata* basis as follows:

4.5.1 Before computing the amounts of any Class Settlement Awards to be paid to Settlement Class Members, the Settlement Administrator shall determine the amount of the Net Settlement Sum.

4.5.2 The Class Settlement Award for each Settlement Class Member shall be the Settlement Class Member's *pro rata* share of the Net Settlement Sum, calculated as follows: The Settlement Administrator shall calculate the total number of Class Workweeks worked by all Settlement Class Members during the Class Period by adding together all the Class Workweeks provided in the Class Information List for each Settlement Class Member. The Settlement Administrator shall then divide the Net Settlement Sum by the total Class Workweeks for all Settlement Class Members, resulting in a per Class Workweek value. The Settlement Administrator shall then multiply the per Class Workweek value by the number of individual Class Workweeks worked by each Settlement Class Member to yield their Class Settlement Award.

4.5.3 The Settlement Administrator shall pay Class Settlement Awards from the Net Settlement Sum and shall pay only those Class Settlement Awards payable to Settlement Class Members. It is anticipated that the Settlement Class Members will be a subset of the Class Members because some Class Members may opt out of the Class Settlement.

4.5.4 The PAGA Settlement Award for each PAGA Group Member shall be their *pro rata* share of the PAGA Fund, calculated as follows: The Settlement Administrator shall calculate the total number of PAGA Pay Periods worked by all PAGA Group Members during the PAGA Period by adding together all the PAGA Pay Periods provided in the Class Information List for each PAGA Group Member. The Settlement Administrator shall then divide the PAGA Fund by the total PAGA Group Member and PAGA TPS/ISR Group Member Pay Periods, resulting in a per PAGA Pay Period value. The Settlement Administrator shall then take the per PAGA Pay Period value and multiply it by the

individual number of PAGA Pay Periods worked by each PAGA Group Member to yield their PAGA Settlement Award.

4.5.5 At its discretion, the Settlement Administrator may combine the Class Settlement Award (if any) and PAGA Settlement Award (if any) to be issued to an individual who is both a Settlement Class Member and PAGA Group Member, into a single check. The Parties understand and acknowledge that a given person may be both a Settlement Class Member and a PAGA Group Member, may be a Settlement Class Member but not a PAGA Group Member (to the extent such person did not work during the PAGA Period), or may be a PAGA Group Member but not a Settlement Class Member (to the extent such person worked during the PAGA Period and opted out of the Class Settlement). The Settlement Administrator shall deduct each Settlement Class Member's share of the Withholdings and Taxes from their Class Settlement Award and shall pay them only the net amount thereof.

4.5.6 In order to determine the individual Class Settlement Awards and PAGA Settlement Awards, the Settlement Administrator shall use the information provided in the Class Information List pursuant to Section 4.2.1, above. In the event that any dispute arises with respect to a Settlement Award amount, the Settlement Administrator shall make the final determination after consultation with Class Counsel and Counsel for Defendant.

4.6 **Taxes.**

4.6.1 **Withholdings and Taxes.** The Parties agree that, for purposes of the Settlement, Class Settlement Awards shall be allocated 20% to wages subject to Withholdings and Taxes and 80% to interest, penalties, and non-wage damages. The entirety of each PAGA Settlement Award shall be allocated as penalties.

4.6.2 **Tax Reporting.** When reporting Class Settlement Awards and PAGA Settlement Awards for tax purposes, the amount of each Class Settlement Award allocated to wages under Section 4.6.1 shall be reported by the Settlement Administrator on IRS Form W-2 as wages, and the remainder of any Class Settlement Award, together with any PAGA Settlement Award, shall be reported by the Settlement Administrator on IRS Form 1099-MISC as interest, penalties, and non-wage damages.

4.6.3 Employees' Tax Obligations. Each Settlement Class Member and PAGA Group Member shall be responsible for paying their share of applicable federal, state, and local income taxes on all amounts such person receives pursuant to this Agreement.

4.6.4 Settlement Administrator Responsibilities Regarding Taxes. It shall be the responsibility of the Settlement Administrator or its designee to timely and properly withhold all applicable Withholdings and Taxes from Class Settlement Award amounts and to prepare and deliver the necessary tax documentation for signature by all necessary parties and, thereafter, to pay Withholdings and Taxes to the appropriate authorities, and to file all necessary information and other tax returns. Payments to Settlement Class Members, PAGA Group Members, Plaintiffs, and Class Counsel pursuant to this Agreement shall be reported on IRS Forms W-2 or 1099-MISC as applicable, and shall be provided to the respective Settlement Class Members, PAGA Group Members, Plaintiffs, Class Counsel, and all applicable governmental entities as required by law. All Withholdings and Taxes deposited with the applicable governmental entities in accordance with this Agreement, other than Defendant's share of Withholdings and Taxes arising from the Class Settlement Awards, shall be part of, and paid out of, the Class Settlement Award to each Settlement Class Member.

4.6.5 Tax Expenses Resulting from Settlement Administration. All reasonable and direct expenses and costs incurred by or at the direction of the Settlement Administrator in connection with the administration of the Settlement (including, without limitation, expenses of tax attorneys and/or accountants incurred in providing advice to the Settlement Administrator, and mailing and distribution costs and expenses relating to the filing, or failure to file, the informational and other tax returns described above) shall be considered a cost of administration of the Settlement and shall be part of the Settlement Administration Costs, to be paid out of the Gross Settlement Amount.

4.6.6 No Claims. No person shall have any claim against Defendant, Counsel for Defendant, Plaintiffs, the Class Members, Class Counsel, or the Settlement Administrator based on mailings, distributions, and payments made in accordance with or pursuant to this Agreement.

4.7 Final Approval and Entry of Judgment. Following the Notice Response Deadline and before the Final Approval Hearing, on or before the date set by the Court, Plaintiffs shall move for Final

Approval of the Settlement. Class Counsel shall draft the final approval papers and give Counsel for Defendant a draft of the papers to review at least seven (7) court days before they are filed.

4.8 Calculation of Withholdings and Taxes. Within fifteen (15) business days from the date of Final Approval of the Settlement, the Settlement Administrator shall calculate and advise Counsel for Defendant of the amount of Defendant's share of Withholdings and Taxes as set forth in Section 2.50 of this Agreement.

4.9 Distribution of Settlement Payments to Settlement Class Members and PAGA Group Members. After the Effective Date, the Class Settlement Awards shall be distributed to Settlement Class Members and PAGA Settlement Awards shall be distributed to PAGA Group Members in accordance with the procedures set forth below:

4.9.1 Remittance of Gross Settlement Amount. Within fifteen (15) business days from the Effective Date, Defendant will remit the Gross Settlement Amount to the Settlement Administrator for the establishment of the Settlement Fund. At the same time, Defendant will also remit its share of Withholdings and Taxes arising from the Class Settlement Awards.

4.9.2 Delivery of Payments. Within ten (10) business days from Defendant's remittance to the Settlement Administrator of the Gross Settlement Amount, the Settlement Administrator shall establish the Settlement Fund and distribute (a) the Class Settlement Award checks to Settlement Class Members and the PAGA Settlement Award checks to PAGA Group Members, (b) the portion of the PAGA Settlement Amount payable to the LWDA, (c) the Service Payments to Plaintiffs, (d) the Withholdings and Taxes arising from the Class Settlement Awards to the appropriate government entities, (d) the Fee and Expense Award to Class Counsel, and (e) the Settlement Administration Costs to itself. Also within ten (10) business days from Defendant's remittance of the Gross Settlement Amount and Defendant's share of Withholdings and Taxes arising from the Class Settlement Awards, the Settlement Administrator shall provide Counsel for Defendant a written report listing each Settlement Class Member and PAGA Group Member, the amount to be paid to each such person, and the amount of Withholdings and Taxes for each such payment. No payments shall be made or distributed unless and until the orders and the Final Approval Order and Judgment described in this

Agreement are final (meaning that the right to appeal or otherwise seek review of such orders or the Judgment has expired) and on the condition that no appeals from the orders and the Final Approval Order and Judgment have been filed. Additionally, by no later than the date set by the Court in its Final Approval Order and Judgment, the Settlement Administrator shall file a report with the Court setting forth: (1) the total amount of money paid to the Settlement Class Members and PAGA Group Members, (2) the portion of the PAGA Settlement Amount paid to the LWDA, (3) the Service Payments paid to Plaintiffs, and (4) the Fee and Expense Award paid to Class Counsel.

4.9.3 Negotiation of Settlement Checks. Any checks tendered to Settlement Class Members or PAGA Group Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance and shall thereafter be automatically cancelled if not cashed, deposited, or otherwise negotiated by the Settlement Class Member or PAGA Group Member within that time, although the individual shall remain a Settlement Class Member and/or PAGA Group Member, as applicable, bound by the Judgment entered in the Action. After 180 days, any amounts from cancelled checks shall be transmitted to the California Controller's Office Unclaimed Property Division, with an identification of the person to whom the funds belong, in accordance with Code of Civil Procedure section 384, to be held in trust for those persons who did not timely cash their settlement checks. Any checks tendered to Settlement Class Members or PAGA Group Members that are returned as undeliverable will also be transmitted to the California Controller's Office Unclaimed Property Division with an identification of the person to whom the funds belong, in accordance with Code of Civil Procedure section 384, to be held in trust for those persons. The Parties agree that this disposition results in no "unpaid residue" under Code of Civil Procedure section 384, as the entire Net Settlement Fund will be paid out to Settlement Class Members or PAGA Group Members, whether or not they all cash their settlement checks. Therefore, Defendant will not be required to pay any interest on such amounts.

4.9.4 Discharge of Obligations. Defendant shall fully discharge its obligations to Plaintiffs, the Settlement Class Members, the PAGA Group Members, and the State of California through the remittance of the Settlement Fund Amount to the Settlement Administrator as set forth in

Section 4.9.1, above, regardless of whether checks representing Class Settlement Awards and/or PAGA Settlement Awards are actually received and/or negotiated by the payee. Once Defendant has complied with this obligation set forth in Section 4.9.1, above, they will be deemed to have satisfied all terms and conditions under this Agreement, shall be entitled to all protections afforded to them under this Agreement, and shall have no further obligations under the terms of this Agreement, regardless of what occurs with respect to the further administration of the Settlement. Without prejudice to any other remedies, the Settlement Administrator shall hold Defendant harmless from and against all liabilities, claims, causes of action, costs, and expenses (including legal fees and expenses) arising out of any failure to timely or properly compensate Class Members and PAGA Group Members as provided for in this Agreement.

4.10 Questions and Disputes. In the event that questions or disputes arise regarding the entitlement of any Class Member or PAGA Group Member under this Agreement, counsel for each Party shall cooperate to provide to counsel for the other Parties and the Settlement Administrator all available information reasonably necessary to resolve them. Such information shall be provided in either electronic form or hard copy, as the Settlement Administrator may reasonably request. If the Parties cannot resolve any dispute concerning the entitlement of any Class Member or PAGA Group Member under this Agreement, the dispute(s) shall be submitted to the Settlement Administrator, who shall resolve the dispute(s) and whose decision shall be final and binding. In such a dispute, the information provided in the Class Information List will be presumed accurate.

4.11 Notification and Certification by Settlement Administrator. The Settlement Administrator shall keep Counsel for Defendant and Class Counsel apprised of the status of the settlement administration process and its distribution of all sums pursuant to this Agreement. Upon completion of administration of the Settlement, the Settlement Administrator shall provide a detailed, written certification of such completion to the Court and counsel for the Parties.

4.12 Nullification of Settlement Agreement if Settlement Not Approved. In the event: (a) the Court does not preliminarily approve the Settlement as provided herein; (b) the Court does not finally approve the Settlement as provided herein; (c) the Court does not enter the Final Approval Order

and Judgment as provided herein; or (d) the Settlement does not become final for any other reason, including the exercise by Defendant of the right to rescind the Settlement under Section 4.3.6, above, this Agreement shall be null and void *ab initio* (with the exception of this Section, Section 3.3, and Section 4.3.6) and any order or Final Approval Order and Judgment entered by the Court in furtherance of the Settlement shall be treated as withdrawn or vacated by stipulation of the Parties. In such case, the Parties shall be returned to their respective statuses as of November 19, 2024. In the event an appeal is filed from the Final Approval Order and Judgment, or any other appellate review is sought before the Effective Date, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review.

5. ENTRY OF JUDGMENT AND RELEASES

5.1 Obtaining Approval. As soon as practicable after execution of this Agreement, Class Counsel shall, with the cooperation of Counsel for Defendant as reasonably requested by Class Counsel, take all necessary steps to secure Preliminary Approval and Final Approval of this Agreement by the Court.

5.2 Entry of Judgment. The Final Approval Order and Judgment in the Action shall include a provision for entry of judgment in accordance with this Agreement, with each Party to bear all of his, her, or its own costs and attorneys' fees, except as expressly set forth herein.

5.3 Notification to the LWDA. Plaintiffs shall submit to the LWDA a copy of the Judgment within ten (10) days after its entry, in accordance with Labor Code section 2699, subdivision (1)(3).

5.4 Settlement Class Release. Upon the Effective Date, and Defendant has fully funded the Gross Settlement Amount and all employer payroll taxes, all Settlement Class Members shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, expressly released, waived, and relinquished the Released Class Claims. Settlement Class Members shall not sue or otherwise make a claim against any of the Released Parties for any of the Released Class Claims and shall be barred from filing any actions, claims, complaints, or proceedings against any of the Released Parties relating to the Released Class Claims with any court or agency (including without limitation the California Division of Labor Standards Enforcement), or from initiating any other proceedings against

any of the Released Parties for any of the Released Class Claims. Settlement Class Members' release, waiver, and relinquishment of the Released Class Claims shall preclude them from participating in any judgment or settlement of any of the Released Class Claims in any other class, collective, or representative action.

5.5 PAGA Group Release. Upon the Effective Date, and Defendant has fully funded the Gross Settlement Amount and all employer payroll taxes, all PAGA Group Members and the State of California shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, expressed released, waived, and relinquished the Released PAGA Claims. PAGA Group Members shall be barred from bringing, joining, or otherwise participating in a PAGA representative action or otherwise making, joining, or otherwise participating in a claim against any of the Released Parties for any of the Released PAGA Claims, and the State of California shall also be barred from pursuing recovery of any civil penalties from any of the Released Parties for any of the Released PAGA Claims.

5.6 Plaintiffs' General Release. Upon the Effective Date, and Defendant has fully funded the Gross Settlement Amount and all employer payroll taxes, Henderson and Denton, and each of their successors, assigns, heirs, personal representatives, and all those who claim through them or who assert claims on their behalf, shall each be deemed to have, and by operation of the Final Approval Order and Judgment shall have, expressly released, waived, and relinquished any and all claims, demands, rights, liabilities, and causes of action they have or have ever had against any of the Released Parties, whether for economic damages, noneconomic damages, exemplary damages, penalties, restitution, injunctive or declaratory relief, interest, attorneys' fees, costs, or any other forms of monetary or non-monetary relief in any way arising out of or relating to any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act from the beginning of time to the date they sign this Agreement, including but not limited to any claims arising from or related to their employment by Defendant or the termination of such employment and/or labor services. This general release by Henderson and Denton shall become effective upon the Effective Date and include all statutory claims, common law claims (including but not limited to those sounding in contract, tort, and equity), and

claims for compensation to the fullest extent permitted by law. Henderson and Denton each further agree not to sue or otherwise make a claim against any of the Released Parties for any of the claims that are released pursuant to this Section 5.6.

5.7 **Waiver of Civil Code Section 1542.** Henderson and Denton each acknowledge that the general release herein, pertaining to them individually, includes potential claims and costs that may not be known or suspected by them to exist, and they each hereby expressly and affirmatively waive and relinquish any and all rights and benefits which may otherwise exist relating to the claims released in Section 5.6 pursuant to Civil Code section 1542, and any similar law of any state or territory of the United States. Civil Code section 1542 states as follows:

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

6. **ADDITIONAL PROVISIONS**

6.1 **No Admission of Liability.** Defendant contends that all of its employment practices complied with all applicable laws and regulations; that TPSs and Specialized ISRs were at all times properly classified; that Class Members and PAGA Group Members were properly compensated for all wages, including (without limitation) all minimum wages and overtime wages, were properly provided all meal periods to which they were entitled, were properly authorized and permitted to take all rest periods to which they were entitled, were timely paid all final wages, were timely paid all wages during employment, were furnished accurate itemized wage statements, were reimbursed for any and all necessary business expenses, and properly had any commissions, shift differentials, or non-discretionary bonuses or pay included in their regular rate of pay for overtime and other applicable compensation purposes; that Defendant kept and keep any and all requisite payroll records; that Defendant did not and do not engage in unfair competition, business acts, or practices; and that Defendant's conduct was not willful, knowing and intentional, or otherwise unlawful with respect to any of the claims alleged in the Action. Defendant has denied and continue to deny each of the claims alleged and the contentions made by Plaintiffs in the Action. Defendant denies any wrongdoing or legal liability arising out of any of the

facts or conduct alleged in the Action and believes that it has valid defenses to Plaintiffs' claims. This Agreement reflects the compromise and settlement of disputed claims between the Parties, and its provisions and any and all drafts, communications or discussions relating thereto do not constitute, are not intended to constitute, and will not under any circumstances be deemed to constitute an admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims in the Action, nor a waiver of any defense.

6.2 **Sexual Harassment Claims.** Nothing in this Agreement is intended to prevent or restrict discussion or disclosure of factual information regarding sexual assault, sexual harassment, harassment, discrimination, unlawful acts in the workplace (*e.g.*, harassment or discrimination or any other conduct for which there is reason to believe said conduct is unlawful), failure to prevent an act of workplace harassment or discrimination, and/or an act of retaliation against a person for reporting or opposing harassment or discrimination.

6.3 **Parties Represented by Counsel.** The Parties hereby acknowledge that they have been represented in negotiations for and in the preparation of this Agreement by independent counsel of their own choosing, they have read this Agreement and have had it fully explained to them by such counsel, and they are fully aware of the contents of this Agreement and of its legal effect.

6.4 **Voluntary Agreement.** This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any Party, or of any other person, firm or entity. Each Party has made such investigation of the facts pertaining to this Agreement and of all other matters pertaining hereto as he, she, or it deems necessary.

6.5 **Notices.** The Parties, Class Counsel, and Counsel for Defendant acknowledge and agree that for the purposes of any claims, actions, or proceedings arising out of this Agreement, notice provided to Class Counsel shall be deemed notice to Plaintiffs and to Class Members. All notices, requests, demands, and other communications required to be given to counsel for the Parties under this Agreement shall be in writing and shall be delivered personally, faxed, emailed or mailed, postage prepaid, by first class United States mail, addressed as follows:

To Class Members or to Plaintiff Denton:

Arby Aiwazian (arby@calljustice.com)
Joanna Ghosh (joanna@calljustice.com)
Brian J. St. John (brian@calljustice.com)
Maria Halwadjian (maria@calljustice.com)
LAWYERS *for* JUSTICE, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203
Telephone: 818.265.1020
Fax: 818.265.1021

To Class Members or to Plaintiff Henderson:

Kane Moon (kmoon@moonlawgroup.com)
Lilit Ter-Astvatsatryan (lilit@moonlawgroup.com)
Holly Williams (hwilliams@moonlawgroup.com)
MOON LAW GROUP, PC
725 S. Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: 213.232.3128
Fax: 213.232.3125

To Defendant Slakey Brothers, Inc.:

Camilo Echavarria (CamiloEchavarria@dwt.com)
Arielle Spinner (ArielleSpinner@dwt.com)
Alexa Graumlich (AlexaGraumlich@dwt.com)
DAVIS WRIGHT TREMAINE LLP
350 South Grand Avenue, Suite 2700
Los Angeles, California 90071-3491
Telephone: 213.633.6800
Fax: 213.633.6689

6.6 No Press Releases/Public Comment. Unless they first obtain Defendant's express written consent, Class Counsel and Plaintiffs shall not (a) discuss, reveal, disclose, publicize, or promote the terms of the Settlement, or the negotiations leading to the Settlement, to any third party (including but not limited to the media, the legal community, or the public at large), or (b) issue any press releases or initiate any contact with the media regarding the Settlement, or otherwise advertise or publicize the Settlement. Nothing in this Agreement is intended to prevent Plaintiffs or Class Counsel from disclosing or discussing the terms of the Settlement (i) with the Court, (ii) with any Class Member or PAGA Group Member, (iii) with the Settlement Administrator, (iv) with the LWDA in conformity with PAGA, or (v) as otherwise required by law.

6.7 **Authorization.** The Parties hereto represent and warrant that each signatory hereto has the full right and authority to enter into this Agreement and bind the Party on whose behalf he, she or it has executed this Agreement.

6.8 **Agreement Binding on Successors in Interest.** This Agreement shall be binding on and inure to the benefit of the respective successors, assigns, heirs, and personal representatives of the Parties.

6.9 **Time Periods.** The time periods and dates set forth in this Agreement with respect to the giving of notices and hearings are subject to approval and modification by the Court or the written stipulation of counsel for the Parties.

6.10 **Mutual Full Cooperation.** The Parties agree to cooperate fully with each other to accomplish the terms of this Agreement, including but not limited to execution and delivery of any and all additional papers, documents, and other assurances and taking such other action that may be reasonably necessary to implement the terms of this Agreement. The Parties and their counsel shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, to effectuate this Agreement and the terms set forth herein.

6.11 **Entire Agreement.** **Exhibit A** to this Agreement (as well as the Spanish version of Exhibit A) is an integral part of this Agreement and is hereby incorporated and made a part of this Agreement. This Agreement contains the entire agreement between the Parties and constitutes the complete, final, and exclusive embodiment of their agreement with respect to the subject matter hereof. This Agreement is executed without reliance upon any promise, representation, or warranty by any Party or any representative of a Party, other than those expressly set forth herein. Any inconsistency between this Agreement and the attached Exhibit A (and the Spanish version of Exhibit A) will be resolved in favor of this Agreement.

6.12 **Headings.** The various headings used in this Agreement are solely for the convenience of the Parties and shall not be used to interpret this Agreement.

6.13 **No Construction Against Drafter.** This Agreement shall be deemed to have been drafted jointly by the Parties, and any rule that a document shall be interpreted against the drafter shall not apply to this Agreement.

6.14 **Amendment and Modification.** Except as expressly provided in Sections 6.9 and 6.10, above, with respect to time periods and dates set forth herein, this Agreement may not be amended, altered, or modified except in writing and signed by the Parties hereto, their successors in interest, or their duly authorized representatives, and approved by the Court.

6.15 **Governing Law.** This Agreement is entered into in accordance with the laws of the State of California and shall be governed by and interpreted in accordance with those laws.

6.16 **Jurisdiction of the Court.** Any dispute regarding the interpretation or validity or otherwise arising out of this Agreement, or relating to the Action, the Released Class Claims, or the Released PAGA Claims, shall be subject to the exclusive jurisdiction of the Court, and the Plaintiffs, Class Members, PAGA Group Members, the LWDA, and Defendant agree to submit to the personal and exclusive jurisdiction of the Court for the purpose of resolving any such dispute. Following the Effective Date, the Court shall retain jurisdiction solely with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

6.17 **Agreement Constitutes a Complete Defense.** To the extent permitted by law, this Agreement may be pleaded as a full and complete defense to any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of or contrary to this Agreement.

6.18 **Signatures.** Signatures by facsimile, in Portable Document Format (PDF), or by other electronic means, shall have the same force and effect as original signatures.

6.19 **Execution Date and Execution in Counterparts.** This Agreement shall be deemed executed upon the last date of signature of all of the undersigned. The Parties may execute this Agreement in counterparts, each of which shall constitute an original, but all of which together shall

constitute one and the same instrument having the same force and effect as if all Parties had signed the same instrument.

IN WITNESS THEREOF, the Parties hereto have so agreed.

Dated: 3/31/2025, 2025

Dated: 04/01/2025, 2025

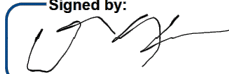
Dated: _____, 2025

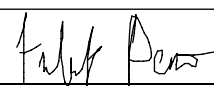
APPROVED AS TO FORM:

Dated: 03/31, 2025

Dated: March 31st, 2025

Dated: _____, 2025

Signed by: 
BABF52C595A041D...
Dontay Henderson

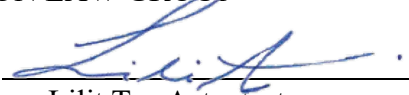
Electronically Signed:  2025-04-02 04:48:13 UTC - 97.136.64.91
Hinter AssureSign® e70ba7ac-57d9-4995-81f8-a2b101730bd8
Frederick Denton

SLAKEY BROTHERS, INC.

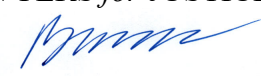
By: _____

Its: _____

MOON LAW GROUP

By: 
Lilit Ter-Astvatsatryan
Attorneys for Plaintiff DONTAY HENDERSON

LAWYERS *for* JUSTICE, PC

By: 
Brian J. St. John
Attorneys for Plaintiff FREDERICK DENTON

DAVIS WRIGHT TREMAINE LLP

By: _____
Camilo Echavarria
Attorneys for Defendant SLAKEY BROTHERS, INC.

constitute one and the same instrument having the same force and effect as if all Parties had signed the same instrument.

IN WITNESS THEREOF, the Parties hereto have so agreed.

Dated: _____, 2025

Dontay Henderson

Dated: _____, 2025

Frederick Denton

Dated: April 1, _____, 2025

SLAKEY BROTHERS, INC.

Signed by:
By:  _____
DCC0710744014C1...

Its: President _____

APPROVED AS TO FORM:

Dated: _____, 2025

MOON LAW GROUP

By: _____
Lilit Ter-Astvatsatryan
Attorneys for Plaintiff DONTAY HENDERSON

Dated: _____, 2025

LAWYERS *for* JUSTICE, PC

By: _____
Brian J. St. John
Attorneys for Plaintiff FREDERICK DENTON

Dated: April 1, _____, 2025

DAVIS WRIGHT TREMAINE LLP

By:  _____
Camilo Echavarria
Attorneys for Defendant SLAKEY BROTHERS, INC.

EXHIBIT A - ENGLISH

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO**

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

Frederick Denton v. Slakey Brothers, Inc., Case No. 23CV010792

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It is 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 (the “Action”) against Slakey Brothers, Inc. (“Slakey”) for alleged wage and hour violations. The Action was filed by former Slakey employees, Dontay Henderson and Frederick Denton (“Plaintiffs”), and include claims alleging violations of the California Labor Code on behalf of: (a) all current and former non-exempt employees who worked for Slakey in California as a non-exempt employee at any time from April 27, 2020 to and including [preliminary approval date] (the “Class Period”); and (b) all current and former employees who were employed, classified, and paid as exempt employees in the job title Technical Product Specialist (“TPS”) or Specialized Inside Sales Representative (“Specialized ISR”) by Slakey in California from April 27, 2020 to and including [preliminary approval date] (the “Class Period”) (collectively, “Class Members”). The Action also includes a claim for civil penalties under the California Private Attorneys General Act (“PAGA”) for: (a) all current and former non-exempt employees who worked for Slakey in California as a non-exempt employee at any time from May 20, 2022 to and including [preliminary approval date] (the “PAGA Period”); and (b) all current and former employees who were employed, classified, and paid as exempt employees in the job titles Technical Product Specialist or Specialized Internal Sales Representative by Slakey in California from May 20, 2022 to and including [preliminary approval date] (the “PAGA Period”) (collectively, “PAGA Group Members”).

The proposed Settlement has two main parts: (1) a Class Settlement wherein Slakey has agreed to fund Class Settlement Awards, and (2) a PAGA Settlement wherein Slakey has agreed to fund PAGA Settlement Awards and to make a payment to the California Labor and Workforce Development Agency (“LWDA”).

Based on Slakey’s records, and the Parties’ current assumptions, **your Class Settlement Award is estimated to be \$ _____(less withholding) and your PAGA Settlement Award 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 PAGA Settlement Award, then according to Slakey’s records you are not eligible for an PAGA Settlement Award under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Slakey’s records showing that **you worked approximately _____workweeks** during the Class Period and **you worked approximately _____pay periods** during the PAGA Period. If you believe that you worked more workweeks 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 do 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 Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Slakey to make payments under the Settlement and requires Class Members and PAGA Group Members to give up their rights to assert certain claims against Slakey.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Settlement Class Member, eligible for a Class Settlement Award and a PAGA Settlement Award (if any). In exchange, you will give up your right to assert the wage claims against Slakey that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will be a Non-Settlement Class Member and no longer eligible for a Class Settlement Award. Non-Settlement Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Slakey must pay PAGA Settlement Awards to all PAGA Group Members and the PAGA Group Members must give up their rights to pursue Released Claims (defined below).
Settlement Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out (“Settlement 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 Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Settlement Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____. 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. Settlement Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.

You Can Challenge the Calculation of Your Workweeks/Pay Periods	The amount of your Class Settlement Award and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many workweeks you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Workweeks you worked are based on or estimated from Slakey's records and are stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.
Written Challenges Must be Submitted by	

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

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former Slakey employees. The Action alleges: (1) failure to pay overtime wages; (2) unpaid meal period premiums; (3) unpaid rest period premiums; (4) failure to pay minimum wage; (5) waiting time penalties; (6) wages not timely paid during employment; (7) wage statement violations; (8) failure to keep requisite payroll records; (9) failure to reimburse employees' business expenses; and (10) unfair competition. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by the following attorneys in the Action: Arby Aiwarzian, Joanna Ghosh, Brian J. St. John, and Maria Halwadjian of Lawyers *for* Justice, PC; and Kane Moon, Lilit Ter-Astvatsatryan, and Holly Williams of Moon Law Group (collectively, "Class Counsel").

Slakey 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 ACTION HAS SETTLED?

So far, the Court has made no determination whether Slakey is, or whether Plaintiffs are, correct on the merits. In the meantime, Plaintiffs and Slakey hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an agreement to 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 Action and enforcing the Agreement, Plaintiffs and Slakey 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, Slakey does not admit any violations or concede the merit of any claims.

The Court preliminarily approved the proposed Settlement, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Slakey Will Pay \$1,600,000.00 as the Gross Settlement Amount (Gross Settlement). Slakey has agreed to deposit the Gross Settlement into an account controlled by the Settlement Administrator. The Settlement Administrator will use the Gross Settlement to pay the Class Settlement Awards, PAGA Settlement Awards, the Service Payments to Plaintiffs, Class Counsel's attorney's fees and expenses, the Settlement Administrator's expenses, and payment to the California Labor and Workforce Development Agency ("LWDA") for settlement of civil penalty claims. Assuming the Court grants Final Approval, Slakey will fund the Gross Settlement within 15 business days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Settlement Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or 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:
 - A. Up to \$533,333.33 (33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$50,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$7,500 to each named Plaintiff as a Service Payment for filing the Action, working with Class Counsel, and representing the Class. A Service Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Class Settlement Awards and any PAGA Settlement Awards.
 - C. Up to \$10,000 to the Settlement Administrator for services administering the Settlement.
 - D. Up to \$100,000 for the PAGA Settlement Amount, allocated 75% to the LWDA PAGA Payment and 25% in PAGA Settlement Awards to the PAGA Group Members based on their PAGA Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Settlement Administrator will distribute the rest of the Gross Settlement (the "Net Settlement Sum") by making Class Settlement Awards to Settlement Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Slakey are asking the Court to approve an allocation of 20% of each Class Settlement Award to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Slakey will separately pay employer payroll taxes on the Wage Portion. The PAGA Settlement Awards are counted as penalties rather than wages for tax purposes. The Settlement Administrator will report the PAGA Settlement Awards and the Non-Wage Portions of the Class Settlement Awards on IRS 1099 Forms.

Although Plaintiffs and Slakey have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor, at your own expense, if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Class Settlement Awards and PAGA Settlement Awards 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, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. 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. Plaintiffs and Slakey have agreed that, in either case, the Settlement will be void: Slakey will not pay any money, and Class Members will not release any claims against Slakey.
7. Settlement Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the "Settlement Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Settlement 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 Settlement Administrator's contact information is contained in Section 9 of this Notice.
8. Settlement Class Members' Release. After the Judgment is final and Slakey has fully funded the Gross Settlement and separately paid all employer payroll taxes, Settlement 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 Slakey or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Settlement Class Members release and discharge, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, spouses, domestic partners, administrators, successors, and assigns, any and all claims, whether known or unknown, against Slakey and the Released Parties that (1) were alleged in Plaintiffs' complaints, the Operative Complaint and/or the applicable PAGA Notice(s); (2) reasonably relate to or arise out of the claims alleged in Plaintiffs' complaints, the Operative Complaint and/or the applicable PAGA Notice(s); (3) arise out of the facts alleged in Plaintiffs' complaints, the Operative Complaint and/or the applicable PAGA Notice(s); or (4) reasonably could have been alleged based on the facts alleged in Plaintiffs' complaints, the Operative Complaint and/or the applicable PAGA Notice(s) (the "Settlement Class Members' Released Claims"). Such released claims include, but are not limited

to, claims for: including (without limitation) for any and all alleged or actual failures to timely, fully, properly, or completely pay any minimum wages, regular wages, overtime or double time premium wages, meal or rest period premiums, or other alleged wages owed, including failure to pay overtime or double time wages at the regular rate of pay (including but not limited to Labor Code sections 510, 1198, 1194, 1194.2, 1197, 1197.1); any and all alleged or actual failures to comply with meal or rest period requirements (including but not limited to Labor Code sections 226.7 and 512); any and all alleged or actual failures to provide proper, accurate, timely, adequately descriptive, or complete wage statements or pay stubs (including but not limited to Labor Code section 226); any and all alleged or actual failures to pay all wages or compensation owed to fired, resigning, or otherwise terminated employees (including but not limited to Labor Code sections 201, 202, and 203); any and all alleged or actual failure to fully or properly reimburse or indemnify employment-related expenses (including but not limited to Labor Code Sections 2800 and 2802); any and all alleged or actual unfair business practices; any and all alleged or actual failure to properly classify employees as exempt from overtime and other requirements under California and federal law; any and all alleged or actual failure to keep accurate payroll records (including but not limited to Labor Code section 1174); any and all alleged or actual failures to pay employees in compliance with Labor Code section 204; any and all claims that employees were misclassified as exempt; any and all alleged or actual failures to pay any interest or penalties owed as a result of any and all of the foregoing (including but not limited to Labor Code sections 210, 226.3, and 558); statutory, constitutional, contractual damages, unpaid costs, penalties, punitive damages, litigation costs, restitution, equitable relief, attorneys' fees and costs; and interest. Expressly excluded from this release are any claims for workers' compensation benefits, unemployment insurance benefits, and any other such claims that cannot be released by law.

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

The PAGA Group Members' Releases for Settlement and Non-Settlement Class Members are as follows:

All PAGA Group Members will release and discharge, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, spouses, domestic partners, administrators, successors, and assigns any and all claims for penalties under PAGA against SLAKEY and the Released Parties that (1) were alleged in Plaintiffs' complaints, the Operative Complaint and/or the applicable PAGA Notice(s); (2) reasonably relate to or arise out of the claims alleged in Plaintiffs' complaints, the Operative Complaint and/or the applicable PAGA Notice(s); (3) arise out of the facts alleged in Plaintiffs' complaints, the Operative Complaint and/or the applicable PAGA Notice(s); or (4) reasonably could have been alleged based on the facts alleged in Plaintiffs' complaints, the Operative Complaint and/or the applicable PAGA Notice(s) (the "Released PAGA Claims"). All PAGA Group Members who worked for Slakey during the PAGA Period will release the PAGA claims described herein and will receive a portion of the amount set aside as PAGA penalties, regardless of whether they opt out of the release of the Class claims.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Class Settlement Awards. The Settlement Administrator will calculate Class Settlement Awards by (a) dividing the Net Settlement Sum by the total number of Class Workweeks worked by all Settlement Class Members, and (b) multiplying the result by the number of Class Workweeks worked by each individual Settlement Class Member.
2. PAGA Settlement Awards. The Settlement Administrator will calculate PAGA Settlement Awards by (a) dividing \$_____ by the total number of PAGA Pay Periods worked by all PAGA Group Members and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Group Member.
3. Workweek Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Slakey's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Class Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Settlement Administrator via mail, email or fax. Section 9 of this Notice has the Settlement Administrator's contact information.

Your dispute must include a reference to the name and case number of the Action as *Frederick Denton v. Slakey Brothers, Inc.*, Case No. 23CV010792, your full name, signature, address, and telephone number, the number of Class Workweeks you believe s correct for you, and documentation (see below).

You need to support your challenge by sending copies of pay stubs or other records. The Settlement Administrator will accept Slakey's calculation of Workweeks based on Slakey'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 Settlement Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Settlement Class Members) and Slakey's Counsel. The Settlement Administrator's decision is final. You cannot appeal or otherwise challenge their final decision.

5. HOW WILL I GET PAID?

1. Settlement Class Members. The Settlement Administrator will send, by U.S. mail, a single check to every Settlement Class Member (*i.e.*, every Class Member who doesn't opt-out) including those who also qualify as PAGA Group Members. The single check will combine the Class Settlement Award and the PAGA Settlement Award.
2. Non-Settlement Class Members. The Settlement Administrator will send, by U.S. mail, a single PAGA Settlement Award check to every PAGA Group Member who opts out of the Class Settlement (*i.e.*, every Non-Settlement Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible. Section 9 of this Notice has the Settlement Administrator's contact information.

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Settlement Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Frederick Denton v. Slakey Brothers, Inc.*, Case No. 23CV010792, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Settlement Administrator must be sent your request to be excluded by ____, or it will be invalid.** Section 9 of the Notice has the Settlement Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Settlement Class Members who have NOT opted out as described in Section 6 above have the right to object to the Settlement. If you submit both an objection and a request for exclusion, your objection will not be considered because you will be excluded from the Class Settlement and unable to object to it.

You can object to the Class Settlement before the Court's final approval of the Class Settlement. To object, you must submit a written Objection to the Settlement Administrator by [DATE], which must include (a) a reference to the name and case number of the Action (*Frederick Denton v. Slakey Brothers, Inc.*, Case No. 23CV010792), (b) your full name, signature, address, telephone number, and the last four digits of your Social Security number, (c) a written statement of the grounds for objecting to the Class Settlement along with any authority on which you intend to rely in support of your objection, and (d) a written statement of whether you intend to appear at the Final Approval Hearing and whether you are represented by counsel.

Alternatively, a Settlement 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. You are not required to appear, either personally or through counsel, at the Final Approval Hearing in order for your written objection to be considered.

You do not have the right to object to the PAGA Settlement, whether or not you object to the Class Settlement.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department __ of the Sacramento County Superior Court, located at 720 9th Street, Sacramento, CA 95814. 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 Class Counsel, Plaintiffs, and the Settlement Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer, at your own expense, to attend) either personally, by phone at (833) 568-8864 / ID: 16108301121, or virtually via Zoom at <https://saccourt-ca-gov.zoomgov.com/my/sscdept23>. 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 Settlement Administrator's website beforehand or contact 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 Slakey and Plaintiffs 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 (specify entity)'s website at (url) . You can also telephone or send an email to Class Counsel or the Settlement Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>) and entering the Case Numbers for the Action, Case No. 23CV010792.

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

Class Counsel:

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Settlement Administrator:

[ADMINISTRATOR
CONTACT INFORMATION]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it 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 for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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