PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (Settlement Agreement" or "Settlement") is entered into by and between Juan Escobedo ("Plaintiff"), individually and as a representative of the State of California and the Aggrieved Employees (as defined in Section 3(a)(4) below) and Block Tops, Inc. ("Defendant"), subject to approval by the Court. The term "Party" or "Parties" as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

1. **Recitals.** This Settlement Agreement is made with reference to the following facts:

(a) On August 8, 2023, Blackstone Law, APC ("Plaintiff's Counsel"), submitted a letter on behalf of Plaintiff to the California Labor and Workforce Development Agency ("LWDA") and Defendant to notify the LWDA and Defendant pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq*. ("PAGA"), of Plaintiff's intent to seek civil penalties under PAGA for Defendant's alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-973715-23 ("PAGA Letter");

(b) On October 13, 2023, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* ("Operative Complaint"), commencing a representative action under PAGA against Defendant, entitled *Juan Escobedo v. Block Tops, Inc.*, Orange County Superior Court Case No. 30-2023-01356309-CU-OE-CXC ("Action"). The Operative Complaint asserts a single cause of action for civil penalties under PAGA for violations of multiple provisions of the California Labor Code and the applicable Industrial Welfare Commission Wage Orders;

(c) On July 25, 2024, the Parties mediated the Action with Christopher M. Barnes, Esq., which did not result in a settlement at that time. After continued negotiations, and with the aid of the mediator's evaluation, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety;

(d) Prior to mediation, Plaintiff obtained, through informal discovery, a sampling of time and payroll data for the aggrieved employees, and figures and information regarding the total number of aggrieved employees and PAGA pay periods.

(e) There has been no determination on the merits of the Action or the PAGA Letter but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and Released Claims (as defined in Section 6 below).

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed

or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind.

3. **Consideration.**

(a) Defendant shall pay the maximum gross sum of Two Hundred Three Thousand Dollars and Zero Cents ($203,000.00) (the "Gross Settlement Amount") to resolve the Action and Released Claims (as defined in Section 6 below), which will be paid as follows:

(1) Attorneys' fees in the amount of one-third (1/3) of the Gross Settlement Amount (i.e., $67,666.66 if the Gross Settlement Amount is $203,000.00), and reimbursement of litigation costs and expenses in the amount of up to Twenty Thousand Dollars and Zero Cents ($20,000.00) (collectively, "Attorneys' Fees and Costs") to Plaintiff's Counsel, which Defendant will not contest.

(2) Costs and expenses of administration of the Settlement up to the amount of Three Thousand Eight Hundred Fifty Dollars and Zero Cents ($3,850.00) ("Settlement Administration Costs") to ILYM Group, Inc. ("Settlement Administrator").

(3) The amounts stated in Sections 3(a)(1) – 3(a)(2) above, once approved by the Court, shall be paid from the Gross Settlement Amount. The balance remaining after these deductions is referred to as the "Net Settlement Amount."

(4) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA ("LWDA Payment"); and the remaining twenty-five percent (25%) will be distributed to all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period ("Aggrieved Employees"). The period August 8, 2022 to August 31, 2024 is the "PAGA Period." The twenty-five percent (25%) portion of the Net Settlement Amount payable to the Aggrieved Employees is referred to as the "Employees' Portion." The Settlement Administrator will disburse the Employees' Portion without asking or requiring Aggrieved Employees to submit any claim as a condition of payment.

(5) Defendant has represented that the Aggrieved Employees consist of 137 individuals who worked 4,368 Pay Periods (as defined in Section 5(b) below) during the PAGA Period. If it is determined by the Settlement Administrator that the total number of Pay Periods worked by the Aggrieved Employees during the PAGA Period actually exceeds 4,368, then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Pay Periods worked by the Aggrieved Employees above 4,368 Pay Periods.

(b) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys' Fees and Costs and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the Settlement Administrator will be responsible for issuing IRS Forms 1099, as required.

4. **Approval and Implementation of the PAGA Settlement.**

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Action to implement the settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 3(a) above.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Megan A. Childress of O'Hagan Meyer LLP ("Defendant's Counsel") for review. Defendant's Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

5. **Payment of the Gross Settlement Amount / Notice to Recipients.**

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 3(a) above shall be made by Defendant by transmitting the Gross Settlement Amount to a qualified settlement account established by the Settlement Administrator for administration of this Settlement, within twenty-one (21) calendar days of the Effective Date. The "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its order approving the Settlement, and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters the Judgment; or (b) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. If the date by which payment by Defendant is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

(b) Each Aggrieved Employee will be entitled to a *pro rata* share of 25% of the Net Settlement Agreement (i.e., the Employees' Portion) based upon the number of pay periods they each worked during the PAGA Period ("Pay Periods"), based on Defendant's payroll records. Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual PAGA Payment"), the Settlement Administrator shall: (i) for each Aggrieved Employee, divide the number of Pay Periods the Aggrieved Employee worked by the total aggregate number of Pay Periods worked by all Aggrieved Employees, and then (ii) multiply this amount by the Employees' Portion to arrive at each Aggrieved Employee's Individual PAGA Payment.

(1) One hundred percent (100%) of all Individual PAGA Payments are to be considered penalties and the Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual PAGA Payments will be reported on an IRS Form 1099, as required.

(c) The Settlement Administrator shall distribute each Individual PAGA Payment by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the form attached hereto as "**Exhibit A**," in the following manner:

(1) No later than seven (7) calendar days after the Court's order granting approval of this Settlement Agreement, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; (v) dates worked for Defendant during the PAGA Period; and (vi) such other information as is necessary for the Settlement Administrator to calculate Pay Periods. To protect Aggrieved Employees' privacy rights, the Settlement Administrator must maintain the Aggrieved Employees List in confidence, use the Aggrieved Employees List only for purposes of this Settlement and for no other purpose and restrict access to the Aggrieved Employees List to Settlement Administrator employees who need access to the Aggrieved Employees List to effect and perform under this Settlement Agreement. Defendant has a continuing duty to immediately notify Plaintiff's Counsel if it discovers that the Aggrieved Employees List omitted employee identifying information and to provide a corrected or updated Aggrieved Employees List to the Settlement Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employees List to the Settlement Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee data.

(2) The Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

(3) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall mail the agreed-upon Cover Letter (in English and Spanish) and Individual PAGA Payment checks (together, the "PAGA Settlement Package") to all Aggrieved

Employees by First-Class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator shall promptly attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be canceled. Funds associated with such canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s). None of the Gross Settlement Amount will revert to Defendant.

(5) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(6) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiff's Counsel.

(7) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the Settlement Administration Costs to itself.

(8) The payment of the Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Settlement Agreement.

(9) The Settlement Administrator shall have and use its own Employer Identification Number for purposes of providing reports to state and federal tax authorities.

(10) The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulations section 468B-1.

(11) The Settlement Administrator has a duty to perform or observe all tasks to be performed or observed by the Settlement Administrator contained in this Settlement Agreement or otherwise.

6. **Release of Claims by Plaintiff and the State of California with Respect to the Aggrieved Employees.** Upon the date of the Court's order granting approval of the Settlement Agreement and full funding of the Gross Settlement Amount, Plaintiff and the State of California

with respect to Aggrieved Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant, and its former and present officers, directors, employees, shareholders, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates, and agents (collectively, the "Released Parties") from any and all claims arising from any of the factual allegations in the PAGA Letter and/or in the Operative Complaint, or which could have been alleged based on the facts stated in the PAGA Letter and/or Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq*., which specifically includes claims for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide complaint wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order (collectively, "Released Claims").

7. **Governing Law and Interpretation.**

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision immediately shall become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing Party.

8. **Amendment.** This Settlement Agreement may not be modified, altered, or changed except in writing and signed by both Parties' counsel, subject to approval by the Court.

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

10. **Waiver of Right to Appeal**. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Costs, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-Judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Settlement Agreement will be suspended until such time

as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11. **Miscellaneous.**

(a) The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

(b) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(c) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

(d) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator Christopher M. Barnes, Esq. In the event of vagueness, ambiguity, or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(e) No Admission of Liability or Representative Manageability for Other Purposes. This Settlement Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Settlement Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement).

(f) If Plaintiff or Defendant fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. This Settlement Agreement remains in full force and effect anyway.

(g) Integrated Agreement. Upon execution by all Parties and their counsel, this Settlement Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the settlement of the PAGA claims in the Action, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

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

(i) No Tax Advice. Neither Plaintiff, Plaintiff's Counsel, Defendant, nor Defendant's Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

(j) Agreement Binding on Successors. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

(k) Use and Return of Aggrieved Employees' Data. Information provided to Plaintiff's Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Aggrieved Employees List provided to Plaintiff's Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or California Rules of Court rule. Not later than ninety (90) calendar days after the Settlement Administrator discharges its obligation to pay out all Settlement funds, Plaintiff shall destroy all paper and electronic versions of the Aggrieved Employees List received from Defendant unless, prior to the Settlement Administrator's payment of all Settlement funds, Defendant make a written request to Plaintiff's Counsel for the return, rather than the destruction, of the Aggrieved Employees List.

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

To Plaintiff:

Miriam L. Schimmel
mschimmel@blackstonepc.com
Joana Fang
jfang@blackstonepc.com
Alexandra Rose
arose@blackstonepc.com
Jared C. Osborne
josborne@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Blvd., Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant:

MEGAN CHILDRESS
mchildress@ohaganmeyer.com
O'HAGAN MEYER LLP
550 S. Hope Street, Suite 2400
Los Angeles, California 90071
Telephone: 213-647-0005

HAVING ELECTED TO EXCECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

PLAINTIFF JUAN ESCOBEDO

Dated: 3-4-25

Juan Escobedo
Plaintiff Juan Escobedo

DEFENDANT BLOCK TOPS, INC.

Dated: ____________________

____

Full Name: ____________________

Title: ________________________
On behalf of Defendant Block Tops, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: March 5, 2025

____
Jonathan M. Genish
Attorneys for Plaintiff Juan Escobedo

O'HAGAN MEYER LLP

Dated: ____________________

____
Megan A. Childress
Attorneys for Defendant Block Tops, Inc.

To Defendant:

MEGAN CHILDRESS
mchildress@ohaganmeyer.com
O'HAGAN MEYER LLP
550 S. Hope Street, Suite 2400
Los Angeles, California 90071
Telephone: 213-647-0005

HAVING ELECTED TO EXCECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

PLAINTIFF JUAN ESCOBEDO

Dated: ____________________

____
Plaintiff Juan Escobedo

DEFENDANT BLOCK TOPS, INC.

Dated: 2/15/2025

Vanessa Bates
Full Name: Vanessa Bates
Title: C.E.O.
On behalf of Defendant Block Tops, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: ____________________

____
Jonathan M. Genish
Attorneys for Plaintiff Juan Escobedo

O'HAGAN MEYER LLP

Dated: February 16, 2025

____
Megan A. Childress
Attorneys for Defendant Block Tops, Inc.

Exhibit A

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>><<State>><<Zip>>

Re: Settlement Payment from *Juan Escobedo v. Block Tops, Inc.*, Orange County Superior Court Case No. 30-2023-01356309-CU-OE-CXC

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of **<<amount of payment>>** ("Individual PAGA Payment"). This check is your payment from the settlement in the lawsuit entitled *Juan Escobedo v. Block Tops, Inc.*, Orange County Superior Court Case No. 30-2023-01356309-CU-OE-CXC ("Action"). As relevant to the enclosed check, the lawsuit alleged that Block Tops, Inc. ("Defendant") violated the California Labor Code. Defendant denied the allegations but reached a settlement to avoid the expense and disruption of further litigation.

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the Labor and Workforce Development Agency and a portion to be paid to all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period ("Aggrieved Employees"). The period August 8, 2022 to August 31, 2024 is the "PAGA Period."

You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified as an Aggrieved Employee. Your Individual PAGA Payment is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period. The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099 (if applicable). You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of Court's order granting approval of the Settlement Agreement and full funding of the Gross Settlement Amount>>, the Released Parties were fully, finally, and forever released, settled, compromised, relinquished, and discharged from the Released Claims.

> "Released Parties" means Defendant, and its former and present officers, directors, employees, shareholders, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates, and agents.
>
> "Released Claims" means any and all claims arising from any of the factual allegations in the PAGA Letter and/or in the Operative Complaint, or which could have been alleged based on the facts stated in the PAGA Letter and/or Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq*., which specifically includes claims for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide complaint wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

The enclosed check is valid for 180 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your Individual PAGA Payment.

Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant's counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [Settlement Administrator] at [toll-free phone number].