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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

MARIA TORRES, CLAUDIA
MARROQUIN, AND HERBER LOPEZ,

Plaintiffs,

vs.

FLYING FOOD GROUP LLC, a
Delaware limited liability company; and
DOES 1-5, inclusive,
Defendants.

Case No.: 2:23-CV-09980 SB
(MRWx)

**STIPULATION OF
SETTLEMENT AND RELEASE
OF CLASS ACTION AND PAGA
CLAIMS**

Ctrm: 6C
Judge: Stanley Blumenfeld, Jr.

(Los Angeles County Superior Court
Case No. 23STCV23422)

TO THE COURT, THE PARTIES AND THEIR ATTORNEYS OF RECORD:

This Stipulation of Settlement and Release of Class Action and PAGA Claims (the “**Settlement Agreement**” or “**Settlement**”) is entered into by and between Plaintiffs Maria Torres, Claudia Marroquin, and Herber Lopez (“**Plaintiffs**” or “**Class Representatives**”), individually and on behalf of all other similarly situated employees and as proxies/agents for the State of California and the California Labor and Workforce Development Agency (“**LWDA**”) (as a private attorney general pursuant to the Private Attorneys General Act, Cal. Lab. Code § 2698, *et seq.* (“**PAGA**”)) to the maximum extent permitted by law, on the one hand, and Defendant Flying Food Group, LLC (“**FFG**” or “**Defendant**”), on the other hand (collectively, the “**Parties**”), subject to the terms and conditions of this Agreement and the Court’s approval. This Settlement Agreement supersedes any and all prior memoranda of understanding and is intended by the Parties to fully, finally and forever, resolve, discharge and settle the Released Claims (as defined below), subject to the terms and conditions hereof.

NOW, THEREFORE, IT IS HEREBY AGREED, BY AND BETWEEN the undersigned, that this Action shall be settled, subject to the approval of the Court, pursuant to the following terms and conditions:

1. DEFINITIONS

As used herein, for the purpose of this Settlement Agreement only, the following terms shall be defined as follows:

1.1 “**Action**” means the putative class action lawsuit entitled *Maria Torres, Claudia Marroquin, and Herber Lopez v. Flying Food Group LLC*, which was initially filed in the Superior Court of California for the County of Los Angeles, Case No. 23STCV23422, and subsequently removed to the United States District Court for the Central District of California, Case No. 2:23-cv-9980-SB-MRW, where it is currently pending.

1.2 “**Aggrieved Employees**” means all non-exempt hourly employees who were employed by Defendant at Defendant’s Facilities at any time during the PAGA Period.

1.3 “**Class**” means all current and former non-exempt employees of Defendant who worked at Defendant’s Facilities at any time during the Class Period.

1.4 “**Class Counsel**” means and refers to the attorneys of record for the Named Plaintiffs, Lauren Teukolsky of Teukolsky Law, APC and Alyssa Peterson of UNITE HERE Local 11, who, subject to Court approval and certification, also seek to represent the Class and the Aggrieved Employees.

1.5 “**Class List**” means a list that Defendant shall transmit to the Settlement Administrator with the following information for each Class Member and Aggrieved Employee: first and last name, last-known mailing address, last known telephone numbers, the last four digits of the social security number and the total number of workweeks Class Members worked during the Class Period and, as applicable, the LWO Subclass Period or total number of pay periods worked by Aggrieved Employees during the PAGA Period, as applicable.

1.6 “**Class Member**” means a member of the Class.

1.7 “**Class Notice**” means the Notice of Class Action Settlement to be mailed to Class Members advising them of this Settlement, as agreed upon by the Parties in the form attached hereto as **Exhibit A**, as may be modified by the Court.

1.8 “**Class Period**” means the period from September 27, 2019 through the Preliminary Approval Date.

1.9 “**Defendant’s Facilities**” means Defendant’s facilities at the following locations: 5807 98th Street, Los Angeles CA 90045 (the “**98th Street Facility**”); 6751 W. Imperial Hwy, Los Angeles CA 90045 (the “**Imperial Facility**”), 901 W. Hillcrest Boulevard, Inglewood, CA 90301 (the “**Inglewood Facility**”); and/or 5253 W. Imperial Highway, Los Angeles, CA 90045 (the “**Los Angeles Warehouse**”).

1.10 “**Defendant’s Counsel**” shall mean and refer to Ruth Zadikany and C. Mitchell Hendy of Mayer Brown LLP.

1.11 “**Effective Date**” means either (a) if no objections are timely filed, the date of Final Approval of this Settlement Agreement by the trial court; (b) if objections are filed but no appeal is filed, the expiration date of the time for filing notice of any appeal from the Final Approval Order; or (c) if an appeal is filed, the latest of (i) the date of final affirmance of an

1 appeal of the Final Approval Order, (ii) the expiration of the time for a petition for en banc
2 review, and if review is granted, the date of final affirmance; (iii) the expiration of the time to
3 file a writ of certiorari with respect to the order and, if certiorari is granted, the date of final
4 affirmance following review pursuant to that grant, (iv) the date of final dismissal of any appeal
5 from the order or the final dismissal of any proceeding on review of certiorari with respect to the
6 order that has the effect of confirming the order; or (v) if any appeal results in reversal of the
7 Final Approval Order and Judgment, the “Effective Date” of any subsequent Judgment shall be
8 determined as described in this paragraph. For purposes of determining the Effective Date, the
9 Parties agree that only the Ninth Circuit Court of Appeals has jurisdiction over any appeals,
10 except for any appellate procedure over which the United States Supreme Court may exercise
11 jurisdiction.

12 1.12 **“Employee PAGA Payment”** means 25% of the amount of the Gross Settlement
13 Amount allocated to the PAGA Payment.

14 1.13 **“Employer Taxes”** means the employer’s share of payroll taxes due on the
15 portion of the Individual Settlement Payments allocated to wages, including, but not limited to,
16 Defendant’s FICA and FUTA contributions.

17 1.14 **“Final Approval Hearing”** means the hearing at which the Court will make a
18 final determination whether the terms of the Settlement Agreement are fair, reasonable and
19 adequate for the Class and meet all applicable requirements for approval and, if the Settlement is
20 so approved, whether judgment should be entered thereon, and whether and to what extent an
21 application by Class Counsel for an award of reasonable attorneys’ fees and reimbursement of
22 their reasonable costs and expenses should be granted.

23 1.15 **“Final Approval Order”** means the final order entered by the Court approving
24 this Settlement following the Final Approval Hearing, which may include a judgment.

25 1.16 **“Gross Settlement Amount”** means the non-reversionary gross sum of
26 \$510,000.00, which shall be the total sum paid by Defendant to fully settle this Action pursuant
27 to this Settlement Agreement inclusive of (a) the Individual Settlement Payments to be paid to
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Settlement Class Members; (b) Class Counsel’s attorneys’ fees and costs approved by the Court; (c) Settlement Administration costs approved by the Court; (d) the PAGA Payment, including the Individual PAGA Payments to be paid to Aggrieved Employees and the penalties to be paid to the LWDA; (e) Service Awards to the named Plaintiffs; and (f) Employer Taxes. In no event shall the total amount payable by Defendant pursuant to this Settlement be greater than or less than \$510,000.00.

1.17 **“Individual PAGA Payment”** means an individual Aggrieved Employee’s allocation of the Employee PAGA Payment.

1.18 **“Individual Settlement Payment”** means an individual Settlement Class Member’s allocation of the Net Settlement Amount.

1.19 **“LWO Settlement Subclass”** means all non-exempt hourly employees who were employed by Defendant at any of Defendant’s Facilities at any time during the LWO Subclass Period who were paid less than the Los Angeles Living Wage Ordinance (**“LWO”**) hourly full cash wage rate and who have not properly and timely opted out of the Settlement.

1.20 **“LWO Subclass Period”** means the period from February 1, 2023 through the October 8, 2023.

1.21 **“Net Settlement Amount”** means the Gross Settlement Amount, less (a) Class Counsel’s Court-approved attorneys’ fees and costs, (b) Court-approved Settlement Administration costs, (c) the PAGA Payment, (d) Court-approved Service Awards for Plaintiffs; and (e) Employer Taxes. The Net Settlement Amount (less applicable withholdings attributed to the portion of Individual Payment Amounts designated as wages) will be distributed to Settlement Class Members.

1.22 **“PAGA Payment”** means the portion of the Gross Settlement Amount (\$10,000.00) allocated to pay civil penalties pursuant to the California Private Attorneys General Act, Labor Code section 2698 *et seq.* (**“PAGA”**).

1.23 **“PAGA Period”** means the period from September 27, 2022 through the Preliminary Approval Date.

1.33 **“TAC” or “Third Amended Complaint”** means the Third Amended Complaint filed in the Action by Plaintiffs on February 9, 2024, which is the operative complaint in the Action.

1.34 Additional defined terms appear where needed below.

2. DESCRIPTION OF THE LITIGATION

2.1 Maria Torres initiated the Action on September 27, 2023 by filing a class action complaint in the Superior Court of the State of California, Los Angeles County, Case No. 23STCV23422, on behalf of herself and others similarly situated, alleging: (a) violation of Los Angeles Living Wage Ordinance (L.A.A.C. § 10.37, et seq.) (the “**LWO**”), (b) underpayment of overtime wages in violation of Labor Code § 510, (c) underpayment of non-overtime wages in violation of Labor Code §§ 218.5, 226.7, 227.3, and 246), (d) failure to pay all wages due upon termination in violation of Labor Code §§ 201-203, (e) failure to provide accurate itemized wage statements in violation of Labor Code § 226, and (f) unfair business practices in violation of Business & Professions Code §§ 17200 *et seq* (the “**Initial Complaint**”). The gravamen of Plaintiff’s claims in the Initial Complaint was the FFG’s alleged failure to pay overtime at the correct “regular rate of pay” with respect to employees who receive shift differentials, and the failure to pay the LWO wage rate starting on February 1, 2023.

2.2 Defendant FFG was served with the initial complaint on October 27, 2023. On November 27, 2023, Defendant timely removed this litigation to the United States District Court for the Central District of California.

2.3 On September 27, 2023, Plaintiff Torres also sent a letter to the LWDA notifying it of her intent to bring a claim against Defendant for civil penalties under PAGA on behalf of herself and all other aggrieved employees. That letter set out violations as alleged in the original complaint.

1 2.4 On December 1, 2023, Plaintiff's counsel sent a supplemental letter to the LWDA
2 adding notice that Torres would bring a claim for violation of Labor Code section 226.7
3 regarding meal breaks. As previewed in the December 1, 2023 letter to the LWDA, Plaintiff
4 filed an amended complaint on December 5, 2023, that added a claim for meal break violations
5 under Labor Code § 226.7 and a claim under PAGA that alleged violations of California Labor
6 Code §§ 201-203, 204, 210, 218.5, 223, 225.5, 226, 226.3, 226.7, 227.3, 246-248, 558, 510,
7 1194, 1197, 1198 and 2699(f) and the applicable Wage Order(s) (the "**First Amended**
8 **Complaint**").

9 2.5 On January 26, 2024, a Second Amended Complaint was filed naming additional
10 Plaintiffs Claudia Marroquin and Herber Lopez (together, with Torres, the Plaintiffs). On the
11 same day, Plaintiffs' Counsel filed a second supplemental notice with the LWDA, advising the
12 agency of the additional plaintiffs.

13 2.6 On February 9, 2024, Plaintiffs filed the operative Third Amended Complaint in
14 this Action which, *inter alia*, names Claudia Marroquin and Herber Lopez as additional named
15 plaintiffs, includes a claim for civil penalties under PAGA, includes additional factual allegations
16 and claims in the complaint. The Third Amended Complaint alleges class and representative
17 claims, *inter alia*, that Defendant (1) violated the LWO; (2) underpaid overtime wages in
18 violation of Labor Code §§ 510 and 1194; (3) underpaid non-overtime wages in violation of
19 Labor Code §§ 218.5, 226.7, 227.3, and 246; (4) violated meal period requirements under Labor
20 Code § 226.7; (5) failed to timely pay wages upon termination of employment in violation of
21 Labor Code §§ 201-203; (6) failed to provide accurate, itemized wage statements in violation of
22 Labor Code § 226; (7) violated California Business and Professions Code section 17200 as a
23 result of the above-referenced violations; and (8) seeking penalties under PAGA as a result of
24 violations of Labor Code §§ 201-203, 204, 210, 218.5, 223, 225.5, 226, 226.3, 226.7, 227.3, 246-
25 248, 510, 512, 558, 1194, 1197, 1198, and 2699(f) and the applicable IWC Wage Order(s),
26 thereby entitling Plaintiffs and other aggrieved employees to civil penalties.

27 2.7 Defendant filed a motion to dismiss the TAC on February 23, 2024.

1 2.8 Defendant denies any liability or wrongdoing of any kind associated with the
2 claims alleged in the Action and further denies that the Action is appropriate for class treatment
3 for any purpose other than this Settlement or that a representative action is appropriate.
4 Defendant contends that it has complied with all applicable laws and regulations, including,
5 without limitation, the Los Angeles Living Wage Ordinance (to the extent it is applicable),
6 California Labor Code, the California Business and Professions Code, the California Code of
7 Regulations and the applicable Wage Orders, that all employees were timely paid all wages
8 owed to them both during their employment and upon termination, that all employees were
9 provided the requisite meal and rest periods, that employees were provided with accurate,
10 itemized wage statements, that Defendant kept adequate records, and that Defendant otherwise
11 met all of its obligations under California and federal law. Plaintiffs believe that this Action is
12 meritorious and that class certification and representative action treatment is appropriate.

13 2.9 For purposes of this Settlement only, Defendant will stipulate to the certification
14 of a settlement class. Defendant does not otherwise admit or concede that the Action is
15 appropriately treated as a class action or that the Action could otherwise proceed past the class-
16 certification stage. Should the Settlement not become final for any reason, the fact that the
17 Parties stipulate and agree to class certification as part of the Settlement shall have no bearing
18 on, and shall not be admissible in connection with, whether any class could or should be certified
19 outside of the context of this Stipulation. Defendant reserves all rights to challenge all claims
20 and allegations in the Action upon all procedural and factual grounds, including, without
21 limitation, the ability to challenge class or representative action treatment on any grounds, to
22 move for dismissal of any or all claims, and to assert any and all other potential defenses or
23 privileges. Plaintiff and Class Counsel agree that Defendant retains and reserves these rights in
24 the event the Court does not enter the Final Approval Order and they agree not to take a position
25 to the contrary; specifically, Plaintiffs and Class Counsel agree not to argue or present any
26 argument, and hereby waive any argument, that based on this Stipulation, Defendant could not
27 contest class certification on any grounds, seek decertification, move for dismissal of any or all
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1 claims, and/or assert any and all other potential defenses and privileges if the Action were to
2 proceed. Further, the negotiation related to this Stipulation shall remain strictly confidential and
3 subject to the provisions of California Evidence Code sections 1119 and 1152 and/or Rule 408 of
4 the Federal Rules of Evidence and any other similar rules and privileges that might apply.

5 2.10 In May 2024, the Parties agreed to participate in a private mediation on August 9,
6 2024. In advance of the mediation, the Parties worked together toward an informal resolution of
7 this Action. Class Counsel conducted a thorough investigation into the facts relating to the
8 claims alleged in the Action and thoroughly studied the legal principles applicable to the claims
9 asserted against Defendant and Defendant's defenses thereto. This included Class Counsel
10 requesting and Defense Counsel providing information obtained from Defendant through formal
11 and informal discovery. Defendant informally produced payroll data in response to Class
12 Counsel's request for specific information they required to assess settlement of the Action. In
13 addition, Defendant provided Class Counsel with written responses to their first set of requests
14 for production (seeking 41 categories of documents) and amended first set of 17 special
15 interrogatories. Defendant also produced hundreds of pages of documents and time records for
16 all Class Members. Defendant produced the complete personnel files of the three named
17 Plaintiffs, organizational structure charts, job descriptions for putative class members,
18 employment policies related to meal breaks and other relevant policies, employee handbooks,
19 and employee schedules showing break times.

20 2.11 Following the exchange of the above information, counsel for the Parties
21 conferred repeatedly by videoconference (more than 7 times) in an attempt to negotiate
22 settlement in advance of the scheduled August 9, 2024 mediation date. The Parties agreed that
23 such informal settlement efforts were advisable in light of the Court's scheduled deadlines that
24 would quickly follow in the event the formal mediation session was unsuccessful. The Parties
25 ultimately reached agreement to resolve the Action based on the terms set forth herein for the
26 amount of \$510,000.00, for an overall and comprehensive settlement inclusive of attorney's fees,
27 costs, claims administration, and PAGA civil penalties.

1 2.12 Defense Counsel has explained to Class Counsel that it believes Defendant (a) has
2 substantial factual and legal defenses to the claims asserted in the Action, which render the
3 outcome of the Action substantially uncertain, (b) believes that class certification would not be
4 granted, and (c) Defendant will prevail on either its pending motion to dismiss and/or its
5 anticipated summary judgment or at trial. Class Counsel has explained to Defense Counsel that it
6 believes (a) certification would be proper, (b) decertification will not happen, and that (c)
7 Plaintiffs will prevail on the motion to dismiss, summary judgment, and at trial on all claims
8 certified by the Court. The proposed Settlement provides expeditious relief and benefits to Class
9 Members, Aggrieved Employees and the LWDA (much sooner than would be possible than if
10 the Parties' disputed positions were litigated in continued and ongoing litigation through trial and
11 appeal).

12 2.13 Class Counsel has diligently investigated the claims alleged in the Action. Based
13 upon Class Counsel's discovery, independent investigation, and legal evaluation, and taking into
14 account the sharply contested legal and factual issues, assessment of the uncertainties of complex
15 litigation, and the relative benefits conferred upon the Settlement Class and Aggrieved
16 Employees pursuant to this Settlement Agreement, Class Counsel has concluded that that the
17 terms of the settlement set forth herein are fair, just, reasonable, adequate and equitable to the
18 Class Members and Aggrieved Employees, and are in the best interests of Plaintiffs, the
19 Settlement Class, and all Aggrieved Employees.

20 2.14 Defendant has concluded that further defense of this Action would be protracted
21 and expensive. Defendant has expended substantial amounts of time, energy and resources, and
22 unless this Settlement is concluded, those efforts will continue to be expended in defense of the
23 claims asserted in this Action. Defendant has therefore agreed to settle the matter upon the terms
24 set forth in this Settlement Agreement in order to put to rest the claims set forth in this Action.
25 The Parties specifically agree that Defendant's agreement to settle this matter is not and shall not
26 be construed as an admission of any wrongdoing whatsoever. Defendant and their counsel also
27 stipulate and agree that the Settlement is fair and in the best interests of the Parties hereto.

1 2.15 The Parties further stipulate and agree that the terms of the settlement set forth in
2 this Settlement Agreement are the product of good faith, arms-length negotiations between the
3 Parties and their counsel of record, are consistent with public policy, and fully comply with
4 applicable law.

5 2.16 As of February 1, 2024, there are approximately 1,142 Class Members who
6 worked for Defendant, in aggregate, approximately 357,132 shifts during the Class Period. As of
7 February 1, 2024, there are approximately 493 members of the LWO Settlement Subclass who
8 worked for Defendant, in aggregate, approximately 64,574 shifts during the LWO Subclass
9 Period. As of February 1, 2024, there are approximately 705 Aggrieved Employees who worked
10 for Defendant, in aggregate, approximately 29,030 pay periods during the PAGA Period.

11 **3. OPERATIVE TERMS OF SETTLEMENT**

12 3.1 The Parties will cooperate in obtaining an order from the Court approving the
13 Settlement. The Parties agree to use their best efforts to expedite the preparation and submission
14 of the Settlement and related documents. The Parties further agree to fully cooperate in the
15 drafting and/or filing of any further documents or filings reasonably necessary to be prepared or
16 filed, shall take all steps that may be requested by the Court or that are otherwise necessary to the
17 approval and implementation of this Settlement, and shall otherwise use their respective best
18 efforts to obtain Court approval of this Settlement. If this Settlement is terminated or canceled
19 pursuant to its terms, the Parties shall be released from all remaining obligations under the
20 terms of the Settlement. In such an event, the Parties agree to share all costs incurred from
21 carrying out the terms of the Settlement prior to its termination or cancellation, including but
22 not limited to any Settlement Administration Costs on a 50/50 basis.

23 3.2 **Gross Settlement Amount.** Subject to Court approval, and in consideration for
24 the release of claims described in this Settlement Agreement, the Parties agree to settle this
25 Action pursuant to the financial terms set forth below. Defendant agrees to pay a non-
26 reversionary Gross Settlement Amount of \$510,000.00 allocated as follows: (a) \$10,000.00 will
27 be allocated to the settlement of the PAGA claim (the PAGA Payment), with \$7,500 to be sent to
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the LWDA and the remaining \$2,500 to be allocated among the Aggrieved Employees (the Employee PAGA Amount); (b) attorneys' fees to Class Counsel in an amount approved by the Court, but not to exceed \$50,000.00; (c) Class Counsel's costs and expenses in an amount approved by the Court, but not to exceed \$2,000.00; (d) deductions for settlement administration expenses of approximately \$15,000.00; (e) Service Awards to each of the three Plaintiffs in an amount approved by the Court, but not to exceed \$1,500 each (i.e., a total of up to \$4,500); (f) Employer Taxes owing on the Individual Settlement Payments; and (g) the balance (the Net Settlement Amount) to be allocated to the Settlement Class Members as described further below.

The Net Settlement Payment shall be allocated as follows: (a) 85% of the Net Settlement Amount shall be allocated to LWO Settlement Subclass (the "**LWO Settlement Subclass Payment**"), with each member of the LWO Settlement Subclass to receive a pro rata share of the LWO Settlement Subclass Payment based on the number of workweeks worked for Defendant during the LWO Subclass Period (the "**Individual LWO Settlement Payment**"); (b) 15% of the Net Settlement Amount shall be allocated to all Settlement Class Members (the "**Class Member Payment**"), with each Class Member to receive a pro rata share of the Class Member Payment based on the number of workweeks worked for Defendant during the Class Period (the "**Individual Class Settlement Payment**"). Each Class Member's Individual LWO Settlement Payment and Individual Class Settlement Payment are collectively referred to as the "**Individual Settlement Payment**".

Subject to the provisions set forth herein, the Gross Settlement Amount is the maximum settlement amount to be paid by Defendant, and under no circumstances shall Defendant be obligated to pay any additional amount to Plaintiffs, Class Counsel, third-party settlement administrators, the Settlement Class Members, the Aggrieved Employees, or the LWDA.

3.3 Calculation and Distribution of Individual Settlement Amounts to Settlement Class Members.

(a) In consideration for the settlement and release of the Released Claims of the Settlement Class Members against the Released Parties (defined in Section 6 below),

1 Defendant agrees to pay to each Settlement Class Member a share of the Class Member
2 Payment, and, as applicable, the LWO Settlement Subclass Payment. Each Settlement Class
3 Member's Individual Class Settlement Payment shall be determined by (a) dividing the
4 Settlement Class Member's total number of workweeks worked for Defendant during the Class
5 Period by the total number of workweeks worked by all Settlement Class Members for
6 Defendant during the Class Period, and (b) multiplying that pro rata share by the Class Member
7 Payment. Similarly, each LWO Settlement Subclass Member Individual LWO Settlement
8 Payment shall be determined by (a) dividing the LWO Settlement Subclass Member's total
9 number of workweeks worked for Defendant during the LWO Subclass Period by the total
10 number of workweeks worked by all LWO Settlement Subclass Members for Defendant during
11 the LWO Subclass Period, and (b) multiplying that pro rata share by the LWO Settlement
12 Subclass Payment.

13 (b) The Settlement Administrator will be responsible for determining the
14 amount of the Individual Settlement Payments to be paid to the Settlement Class Members based
15 on the Class List provided to the Settlement Administrator by Defendant. Each Settlement Class
16 Member's Individual Settlement Payment shall be distributed to that Settlement Class Member,
17 less applicable withholdings. The Parties agree that this formula for allocating the Net
18 Settlement Amount is reasonable and that the Individual Settlement Payments provided for
19 herein are designed to provide a fair settlement to the Settlement Class Members. For each Class
20 Member who submits a valid and timely request for exclusion, the Claims Administrator shall
21 proportionally increase the payments to each Settlement Class Member such that the total
22 Individual Payment Payments equal one hundred percent (100%) of the Net Settlement Amount.

23 (c) The Parties agree that the Individual Settlement Payments are allocated for
24 payment of disputed wages to Settlement Class Members and are subject to withholding and
25 other deductions applicable to wage payments. All Individual Settlement Payments will be
26 allocated as follows: fifty percent (50%) as wages and fifty percent (50%) as interest, penalties
27 and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2
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and the portion allocated to penalties, interest and non-wage damages will be reported on an IRS Form 1099 by the Settlement Administrator. The Settlement Administrator will withhold the Employer Tax and employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payments and issue checks to Settlement Class Members net of these taxes and withholdings. The Settlement Administrator will remit and report the applicable portions of the payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties and undertakings. The Employer Taxes attributable to the Individual Settlement Payments shall be paid from the Gross Settlement amount.

(d) Individual Settlement Payments will be distributed and paid only to Class Members after entry of the Final Approval Order by the Court, pursuant to the terms of this Settlement Agreement.

3.4 Calculation of Individual PAGA Payments and Distribution of the PAGA Payment

(a) The total PAGA Payment shall be \$10,000.00. Seventy-five percent (75%) of that total, in the amount of \$7,500.00, shall be paid to the LWDA. The remaining \$2,500.00 or twenty-five percent (25%) shall be distributed to the Aggrieved Employees (the Employee PAGA Payment).

(b) In consideration for the settlement and release of the Released Claims of the Aggrieved Employees against the Released Parties (defined in Section 6 below), Defendant agrees to pay to each Aggrieved Employee a share of the Employee PAGA Payment, known as the Individual PAGA Payment. This amount will be distributed *pro rata* among the individual Aggrieved Employees based on the number of pay periods each individual worked for Defendant in California during the PAGA Period divided by the aggregate number of pay periods worked for Defendant in California by all Aggrieved Employees during the PAGA Period.

(c) The Settlement Administrator will be responsible for determining the amount of the Individual PAGA Payments to be paid to the Aggrieved Employees based on the Class List to be provided to the Settlement Administrator by Defendant. The Individual PAGA

1 Payment shall be paid to each individual Aggrieved Employee at the time the class Individual
2 Settlement Payments are made. Each Aggrieved Employee will receive his/her respective
3 Individual PAGA Payment without the need to complete or submit any claim forms. The
4 Individual PAGA Payments are penalties and are nonwage payments thereby resulting in
5 issuance of 1099 forms for same.

6 **3.5 Plaintiffs' Service Award Payments.**

7 (a) Plaintiffs intend to request that the Court approve Service Awards for
8 Plaintiffs in an amount up to \$1,500 for each Plaintiff (for a total of up to \$4,500). The Service
9 Awards approved by the Court will be paid to Plaintiffs from the Gross Settlement Amount after
10 entry of the Final Approval Order. The Settlement Administrator shall issue an IRS Form 1099
11 to Plaintiffs for their Service Awards. Plaintiffs shall be solely and legally responsible to pay any
12 and all applicable taxes on their Service Awards and shall hold harmless Defendant and Class
13 Counsel from any claim or liability for taxes, penalties or interest arising as a result of the
14 Service Award payments. The Service Award payments shall be in addition to Plaintiffs'
15 Individual Settlement Payments and Individual PAGA Payments. Any amount requested by
16 Plaintiffs for the Service Award and not granted by the Court shall be part of the Net Settlement
17 Amount and will be distributed to Settlement Class Members as provided in this Agreement.

18 **3.6 Attorneys' Fees, Costs and Expenses.**

19 (a) Class Counsel may submit an application for Court approval of an award
20 of (1) up to \$50,000.00 in attorneys' fees to be paid from the Gross Settlement Amount; and (2)
21 up to \$2,000.00 for reimbursement of any costs and expenses incurred in connection with this
22 Action, to be paid from the Gross Settlement Amount. In the event the Court awards Class
23 Counsel less than \$50,000.00 in fees and/or less than \$2,000.00 in reimbursement for costs and
24 expenses, the difference will be included in the Net Settlement Amount.

25 (b) Except as provided in this Settlement Agreement, Defendant will not be
26 required to pay any other expenses, costs, damages or fees incurred by the Plaintiffs, or any
27 Class Member or Aggrieved Employee, or by any of their attorneys, experts, advisors, agents or
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1 representatives. Any award of attorneys' fees, costs, expenses and damages payable hereunder
2 to Class Counsel shall be in complete satisfaction of any and all claims for such attorneys' fees,
3 costs, expenses, and damages under state or federal law, which the Plaintiffs, the Settlement
4 Class, the Aggrieved Employees, Class Counsel, or any other counsel have or may have against
5 Defendant arising out of or in connection with the Action and its settlement, including, but not
6 limited to, any claims for attorneys' fees, costs and expenses involved in litigating attorneys'
7 fees, costs and expenses incurred through and after the final disposition and termination of this
8 Action.

9 (c) The substance of Class Counsel's application for attorneys' fees and costs
10 is not part of this Settlement Agreement and is to be considered separately from the Court's
11 consideration of the fairness, reasonableness, adequacy and good faith of the Settlement. The
12 outcome of any proceeding related to Class Counsel's request for attorneys' fees and costs shall
13 not terminate this Settlement Agreement or otherwise affect the Court's ruling on the Final
14 Approval Motion.

15 **3.7 Settlement Administration Costs.** The Parties have jointly selected a Settlement
16 Administrator to administer the Settlement after receiving an acceptable estimate for such
17 services as agreed by the Parties. The costs of settlement administration, currently estimated at
18 no more than \$15,000, will be paid from the Gross Settlement Amount. The fees and other
19 charges of the Settlement Administrator to administer the settlement will be paid from the Gross
20 Settlement Amount. The difference between actual and Court approved settlement
21 administration costs, if any, will revert to the Net Settlement Amount and be redistributed to the
22 Settlement Class Members.

23 **3.8 Taxes and Withholdings**

24 (a) Other than the withholding and reporting requirements set forth in this
25 Section 3, Settlement Class Members shall be solely responsible for the reporting and payment
26 of their share of any federal, state and/or municipal income or other taxes on payments made
27 pursuant to this Settlement. No party has made any representation to any of the other Parties as
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1 to the taxability of any payments pursuant to this Settlement, including the payments to
2 Settlement Class Members and Aggrieved Employees, the payments to Class Counsel, the
3 payment to the Class Representatives, the payroll tax liability of Defendant, or the allocation of
4 Settlement proceeds to wage and non-wage income, or otherwise as to the tax implications of
5 any provision of this Settlement.

6 (b) The Settlement Administrator shall remit and report the applicable
7 portions of the payroll tax payment to the appropriate taxing authorities on a timely basis
8 pursuant to its duties and undertakings. The Employer Taxes attributed to the Individual
9 Payment Amounts shall be paid from the Gross Settlement Amount.

10 3.9 Effect of Appeal.

11 If an appeal is taken from the award of Class Counsel's attorneys' fees, costs and
12 expenses the appeal shall not affect the finality of the judgment as to the remainder of the terms
13 of the Settlement.

14 4. PROCEDURES FOR ADMINISTRATION OF SETTLEMENT

15 4.1 Engagement of Settlement Administrator.

16 (a) The Parties have agreed to appoint Phoenix Claims Administration to
17 perform the duties of Settlement Administrator. If the Court does not approve the appointment
18 of Phoenix, the Parties will meet and confer to select an alternative Settlement Administrator.

19 (b) The Settlement Administrator shall perform the following notice and other
20 claims administration functions: (i) prepare, print and disseminate the Class Notice (in English
21 and Spanish) to all Class Members, including taking appropriate steps to trace and locate any
22 Class Members whose address or contact information as provided to the Settlement
23 Administrator is inaccurate or outdated; (ii) track the Notice mailing and any exclusion requests
24 or objections; (iii) receive, independently review, and resolve any challenges from Class
25 Members (in consultation with Class Counsel and Defendant's counsel), including any
26 associated documentation regarding the number of pay periods and/or workweeks of service in
27 which they performed work for Defendant (iv) promptly furnish to Class Counsel and
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1 Defendant's Counsel copies of all written objections, requests for exclusion and any rescission
2 statements received; (v) establish the necessary bank accounts and obtain the necessary tax
3 identification number to administer the settlement; (vi) administer the Settlement, including
4 determining each putative Class Member's status as a member of the Class and their Individual
5 Settlement Payments; (vii) distribute the Individual Settlement Payments to Settlement Class
6 Members, the Individual PAGA Payments to Aggrieved Employees, payments of the PAGA
7 penalties to the LWDA and the court-approved attorneys' fees and costs to Class Counsel; (viii)
8 file any necessary tax forms and remit any required taxes; and (ix) deposit any uncashed checks
9 with the State of California Controller's Office of Unclaimed Funds as provided for below.

10 **4.2 Application for Preliminary Approval Order.** Promptly and in no event more
11 than seventy (70) days after this Settlement Agreement is fully executed by the Parties, Plaintiffs
12 will file with the Court a Joint Motion for Preliminary Approval of Settlement and Provisional
13 Certification of a Settlement Class, and shall appear for a hearing if the Court so orders.
14 Plaintiffs will submit this Settlement Agreement and any supporting papers to the Court, which
15 shall set forth the terms of this settlement and will include proposed forms of all notices and
16 other documents as necessary to implement the Settlement Agreement. Class Counsel will only
17 file the Preliminary Approval Motion following review and approval by Defendant's Counsel,
18 after providing Defendant's Counsel with at least five (5) business days to review said Motion
19 and the accompanying documents. In connection with the Preliminary Approval Motion,
20 Plaintiffs will apply for an Order: (a) preliminarily approving the Settlement under the legal
21 standards relating to the preliminary approval of class action settlements; (b) preliminarily
22 certifying the Class as provided in this Settlement Agreement for settlement purposes only; (c)
23 appointing Class Counsel as counsel for the Class, for settlement purposes only; (d) appointing
24 the Plaintiffs as the representatives of the Class, for settlement purposes only; (e) approving the
25 form of the Settlement Notice, and finding the proposed method of disseminating the Notice
26 meets all legal requirements, and is the best notice practicable under the circumstances; (f)
27 establishing the procedures and the deadline by which Class Members may assert objections to
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1 the certification of the Class and/or to the Settlement; (g) establishing a deadline for the Parties
2 to submit papers/briefing in response to any objections and in support of final approval of the
3 Settlement; (h) establishing procedures and the deadline by which individuals may exclude
4 themselves from the Settlement; (i) setting a date for the Final Approval Hearing no earlier than
5 one-hundred (100) calendar days after the date preliminary approval is granted; and (j)
6 providing that, pending this Court's final determination of whether the proposed Settlement will
7 be approved and in aid of the Court's jurisdiction and to prevent a multiplicity of lawsuits, the
8 Plaintiffs, and anyone acting on their behalf (including, but not limited to, attorneys,
9 representatives and agents), waive and release and are barred and enjoined from instituting,
10 commencing, or continuing to prosecute, directly or indirectly, as an individual or collectively,
11 representatively, derivatively, or on behalf of himself or herself, or in any other capacity of any
12 kind whatsoever, any action in this Court, any other state court, or any arbitration or mediation
13 proceeding or any other similar proceeding, any and all claims against any Released Party that
14 asserts any Released Claims (as defined below in Section 6) that would be released and
15 discharged upon entry of the Final Approval Order, except as the Court may further order upon
16 application of a Class Member and notice to all Parties.

17 **4.3 Notice to LWDA.** Within ten (10) days of Class Counsel's filing of the
18 Preliminary Approval Motion, Plaintiffs shall submit to the LWDA a copy of this Settlement
19 Agreement pursuant to the requirements set forth in Labor Code section 2699(1)(2).

20 **4.4 CAFA Notice.** Within ten (10) days of Class Counsel's filing of the Preliminary
21 Approval Motion, Defendant will serve or cause to be served notice of the Settlement as required
22 by CAFA. After completion of such service, Defendant will file a declaration with the Court
23 indicating such service has been completed.

24 **4.5 Notice to Class Members.** Notice of the settlement shall be provided to the
25 Settlement Class in the form of the Class Notice attached hereto as **Exhibit A**. The Settlement
26 Administrator shall be responsible for preparing, printing, and mailing to all Settlement Class
27 Members the Notice Packet (as defined below).

1 (a) No later than thirty (30) days after entry of a Preliminary Approval Order
2 by the Court, Defendant shall transmit to the Settlement Administrator the Class List. Upon its
3 receipt of the Class List, the Settlement Administrator will access the National Change of
4 Address (“NCOA”) Database and any other databases used by the Settlement Administrator,
5 update the addresses provided by Defendant, and advise Defendant of the updated address.

6 (b) The Class List and any other data provided by Defendant to the Settlement
7 Administrator and/or Class Counsel pursuant to this Settlement Agreement, shall be presumed to
8 be accurate, and shall be held in strict confidence to be used solely for the purpose of this
9 Settlement, and shall not be disclosed to anyone outside of the Settlement Administrator. The
10 Parties shall provide the Settlement Administrator with any updated or different addresses or
11 phone numbers they obtain from Class Members prior to the Claim Bar Date.

12 (c) Neither Defendant nor the Settlement Administrator will provide the Class
13 List or the name, contact information and/or any financial information of Class Members or
14 Aggrieved Employees to the Plaintiffs, Class Counsel, any other Class Member or Aggrieved
15 Employee, or to any other person or entity.

16 (d) Within fourteen (14) calendar days after receiving the Class List, the
17 Settlement Administrator shall mail a copy of the Class Notice substantially in the form attached
18 hereto as **Exhibit A** (the “**Notice Packet**”) to all Class Members via first-class mail, postage
19 prepaid.

20 (e) The addresses to which the Notice Packets are mailed shall be determined
21 by the Settlement Administrator from the identifying information transmitted to the Settlement
22 Administrator by Defendant as provided herein, and by such other means as the Settlement
23 Administrator customarily uses to locate class members in administration of class action
24 settlements.

25 (f) It shall be conclusively presumed that if the Notice Packet is not returned
26 as undeliverable, the Class Member received the Notice Packet. Any Notice Packets returned to
27 the Settlement Administrator as non-delivered before the deadline set forth herein for Class
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1 Members to mail Requests for Exclusion shall be sent to the forwarding address affixed thereto.
2 If no forwarding address is provided for a Notice Packet that is returned as non-delivered, then
3 such Notice Packet will be re-sent by the Settlement Administrator after the address is updated
4 using one or more substantive skip trace procedures such as performing address searches using
5 public and proprietary electronic resources which collect their data from various sources such as
6 utility records, property tax records, motor vehicle registration records (where allowed) and
7 credit bureaus. The undelivered Notice Packets will be re-sent within five (5) days after the
8 Settlement Administrator receives notice that a Notice Packet was undeliverable. For a period
9 not to exceed forty-five (45) days from the date specified herein for the initial mailing of the
10 Notice Packets, the Settlement Administrator will continue to use reasonable efforts to obtain
11 current addresses for Class Members whose Notice Packets are returned as non-deliverable, and
12 Requests for Exclusion received within said forty-five (45) day period for such Class Members
13 shall be deemed timely.

14 (g) All costs of mailing of the Notice Packet, whether foreseen or not, shall be
15 paid from the Gross Settlement Amount, including the cost of searching for Class Members'
16 addresses.

17 (h) Other than the obligations set forth in this Settlement Agreement,
18 Plaintiffs, Class Counsel, Defendant, Defendant's Counsel, and the Settlement Administrator
19 shall have no additional obligation to identify or locate any Class Member/Aggrieved Employee
20 or have any liability in connection with the provision of information to the Settlement
21 Administrator or otherwise. Compliance with these procedures shall constitute due and
22 sufficient notice to Class Members of this Settlement and shall satisfy the requirement of due
23 process.

24 (i) If any party or the Settlement Administrator determines, based upon
25 further review of available data, that a person previously identified as being a Class Member or
26 Aggrieved Employees should not be so included or identifies a person who would have been
27 included as a Class Member or Aggrieved Employees but was not so included, the Settlement
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1 Administrator will promptly delete or add such person as appropriate and immediately notify
2 Class Counsel and Defendant's Counsel prior to such deletions or additions (and the reasons
3 therefore). Defendant's Counsel shall be given the opportunity to oppose any such deletion or
4 addition by the Settlement Administrator.

5 (j) The time periods and methodologies set forth herein reflect the Parties'
6 best current belief as to their ability to make such identification, and it is understood that
7 Defendant, in undertaking the tasks set forth herein, shall use reasonable efforts to identify all
8 Class Members/Aggrieved Employees and to collect the information required to be included in
9 the Class List.

10 (k) The Parties agree that the proposed Notice constitutes the best notice
11 practicable under the circumstances, and constitutes due and sufficient notice of the pendency of
12 the Action, the proposed Settlement, and the Final Approval Hearing to all persons entitled to
13 notice, in full compliance with due process under the United States Constitution. The Plaintiffs
14 and Class Counsel acknowledge that this provision is a material term of this Settlement
15 Agreement and that Defendant would not have entered into this Settlement Agreement without
16 their agreement to this provision. However, nothing set forth herein shall limit Class Counsel's
17 ability to answer questions initiated by members of the Class/Aggrieved Employees.

18 **4.6 Responses to Notice.**

19 (a) Corrections to Workweek Count. The Notice shall provide Class
20 Members with information as to how they may challenge the number of workweeks to which
21 they are credited. Class Members will have until the Response Deadline within which to contact
22 the Settlement Administrator and to provide details of their dispute. No workweek count
23 disputes will be considered if the Class Member contacts the Settlement Administrator after the
24 Response Deadline.

25 (b) Class Member Opt-Out. Class Members who wish to exclude themselves
26 from the settlement must submit a Request for Exclusion ("**Request for Exclusion**") to the
27 Settlement Administrator, postmarked by the Response Deadline (the "**Opt-Out Period**"). In
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1 the case of a second or subsequent mailing to the Settlement Class Member, for example because
2 of an undeliverable mailing, the Opt-Out Period shall be computed from the date of the second or
3 subsequent mailing (the “**Claim Bar Date**”). Such written Request for Exclusion must state the
4 Class Member’s name, the last four digits of his/her Social Security Number or Tax ID Number,
5 the Class Member’s address and telephone number. It must also contain words that clearly
6 describe the Class Member’s intention to opt out of the Settlement, such as: “I elect to exclude
7 myself from the settlement in the *Torres* litigation” in order to be valid. The Request for
8 Exclusion must be personally signed by the Settlement Class Member who seeks to opt out. No
9 Request for Exclusion may be made on behalf of a group of Settlement Class Members. The
10 Request for Exclusion must be sent by mail to the Settlement Administrator and must be timely
11 postmarked as set forth above, except that the Settlement Administrator may, upon consultation
12 with counsel for all Parties and good cause shown, extend the due date for mailing the Request
13 for Exclusion. The postmark date of the mailing envelope shall be the exclusive means used to
14 determine whether a Request for Exclusion has been timely submitted. Any Settlement Class
15 Member who requests exclusion (opts out) of the settlement will not be entitled to any recovery
16 from the Net Settlement Amount, will not be bound by the Stipulation of Settlement, and will not
17 have any right to object, appeal, or comment thereon. If a Request for Exclusion is not timely
18 completed and returned to the Settlement Administrator as set forth above, it will be conclusively
19 presumed that the Settlement Class Member received the Notice of Settlement and that he or she
20 does not wish to opt out of the Settlement. Plaintiffs agree not to opt-out of or object to the
21 Settlement. Requests for Exclusion do not apply to the PAGA Claims and Aggrieved Employees
22 shall not be provided with the opportunity to opt-out of the PAGA portion of this Settlement.

23 (c) Objections to the Settlement. Any Class Member may object to
24 certification of the proposed Settlement Class or to the proposed Settlement, or any portion
25 thereof (including, but not limited to, preliminary certification, Fee Awards, etc.). The Class
26 Notice will provide notice that Class Members who wish to object to the Settlement must file
27 with the Court and send to the Settlement Administrator and counsel for the Parties, not later
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1 than the Response Deadline or the Claim Bar Date, as applicable if there is a second mailing, a
2 written statement objecting to the Settlement, the proposed Class, or any portion thereof, and
3 setting forth the specific grounds for the objection. The Settlement Administrator will send
4 all objections by .pdf to Defendant's Counsel and to Class Counsel no later than three (3)
5 business days after receipt thereof. Any Class Member who submits a Request for Exclusion
6 may not file objections to the Settlement. The Parties may file written responses to any filed
7 objections with the Court no later than seven (7) calendar days before the final Approval
8 Hearing. In order to object to this Settlement or any term herein, the person making the
9 objection must be a Settlement Class Member, must not opt-out, and must, by the Response
10 Deadline, file with the above Court and serve on Class Counsel and Defendant's Counsel, a
11 written statement of the grounds of the objection, signed by the objecting Settlement Class
12 Member or his or her attorney, along with all supporting papers. The date of mailing of the
13 Notice Packet to the objecting Settlement Class Member shall be conclusively determined
14 according to the records of the Settlement Administrator. Absent good cause found by the Court,
15 Settlement Class Members who fail to timely file and serve objections in the manner specified
16 herein shall be deemed to have waived any objections and shall be foreclosed from making any
17 objection (whether by appeal or otherwise) to the Settlement Agreement.

18 Notwithstanding the Response Deadline specified in this Paragraph, Class Members shall
19 be permitted to submit objections to Class Counsel's motion for attorneys' fees up to 14 days
20 before the Final Approval Hearing.

21 (d) No Encouragement of Objections, Opt-Outs, or Appeals. At no time shall
22 any of the Parties or their counsel seek to solicit or otherwise encourage members of the Class to
23 file claims, submit written objections to the settlement, Requests for Exclusion, or appeal from
24 the Order and Final Judgment.

25 (e) Effect of Settlement. Except for persons who properly elect to opt out of
26 the Class in the manner and within the time limits specified above and in the Class Notice, all
27 Class Members shall be deemed to be within the Class for all purposes under this Settlement

1 Agreement, and shall be bound by the terms and conditions of this Settlement Agreement
2 (including the release and waiver provisions herein), including all orders issued pursuant thereto,
3 and shall be deemed to have waived all unstated objections and opposition to the fairness,
4 reasonableness, and adequacy of this Settlement Agreement, and any of its terms. All Aggrieved
5 Employees shall be bound by the terms and conditions of this Settlement Agreement (including
6 the release and waiver provisions herein), including all orders issued pursuant thereto.

7 **4.7 Reports by the Settlement Administrator.**

8 (a) Weekly Reports. Starting on the date that the Settlement Administrator
9 receives the Class List, the Settlement Administrator shall provide weekly reports to counsel for
10 the Parties detailing the progress of the claims process outlined above in Sections 4.5 and 4.6.

11 (b) Interim Report by the Settlement Administrator. No later than seven (7)
12 days prior to the date of the Final Approval Hearing, the Settlement Administrator shall provide
13 counsel for the Parties with a declaration setting forth: (a) due diligence and proof of mailing of
14 the Notice Packets; and (b) the total number of Class Members who filed timely requests for
15 exclusion or objections to the settlement, along with the complete copies of all requests for
16 exclusion and objections received, including the postmark dates for each request for exclusion or
17 objection.

18 **4.8 Motion for Judgment and Final Approval.**

19 (a) No later than 28 calendar days before the Final Approval Hearing, the
20 Named Plaintiffs will file a Motion for Judgment and Final Approval. Class Counsel will only
21 file said Motion following review and approval of the Motion by Defendant's Counsel, after
22 providing Defendant's Counsel at least five (5) business days to review said Motion.

23 (b) After expiration of the Response Deadline and the Claim Bar Date, the
24 Court shall conduct a Final Approval Hearing to determine final approval of the Settlement along
25 with the amounts properly payable for: (1) Settlement Class Members' claims; (2) attorneys'
26 fees, costs and expenses; (3) the costs of administration of the settlement; (4) Service Awards for
27 Plaintiffs; and (5) the PAGA Payment. The Final Approval Hearing shall be held at the Court's

1 convenience, but not earlier than one-hundred (100) calendar days after the date the Preliminary
2 Approval Motion is filed with the Court. At the Final Approval Hearing, Plaintiffs and
3 Defendant will use their best efforts to urge the Court to confirm the certification of the Class for
4 settlement purposes, to grant final approval of the Settlement in its entirety (including any
5 modification made thereto with the consent of the Parties as provided herein), and to enter a
6 Final Approval Order and Judgment. To the extent that the requisite CAFA period has not
7 expired by the date of the Final Approval Hearing, the Court will go forward with the Final
8 Approval Hearing but shall hold its final approval order until the expiration of the CAFA notice
9 period.

10 (c) Upon final approval of the settlement by the Court at or after the Final
11 Approval Hearing, the Parties shall present the Final Order to the Court for its approval and
12 entry. The Final Approval Order and Judgment shall include the following provisions: (a)
13 approving the settlement as fair, adequate, reasonable and binding on all Class Members who
14 have not timely opted out; (b) approving the settlement as fair adequate, reasonable and binding
15 on all Aggrieved Employees; (c) finding that the dissemination of the Class Notice in the form
16 and manner ordered by the Court was accomplished as directed, met the requirements of due
17 process, was the best notice practicable under the circumstances, and constituted due and
18 sufficient notice to all persons entitled thereto; (d) finding that Plaintiffs and Class Counsel
19 herein have fairly and adequately represented and protected the interests of the Class/Aggrieved
20 Employees at all times in the Action; (e) directing the Parties to implement the terms of the
21 Settlement Agreement, including, without limitation, the provisions regarding the payment of the
22 Individual Settlement Payments to each Settlement Class Member as set forth in this Settlement
23 Agreement, the payment of the Individual PAGA Payment to each Aggrieved Employee, the
24 payment of the LWDA's portion of the PAGA Payment to the LWDA, the payment of the
25 attorney's fees and costs award to Class Counsel, the payment of Service Awards to Plaintiffs,
26 and the costs of administration and the payment of required taxes; (f) defining the Class; (g)
27 releasing and discharging the Released Parties from any and all liability with respect to the
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1 Released Claims as provided herein after all payments have been made as set forth above; (h)
2 providing that in order to protect the continuing jurisdiction of the Court, prevent a multiplicity
3 of lawsuits, and protect and effectuate the Court's judgment in the Action, Plaintiffs and all
4 Settlement Class Members/Aggrieved Employees, and anyone acting on their behalf (including,
5 but not limited to, attorneys, representatives, and agents of Plaintiffs or any Settlement Class
6 Member or Aggrieved Employee), are permanently and forever barred and enjoined from
7 instituting, commencing, or continuing to prosecute, directly or indirectly, as an individual or
8 collectively, representatively, derivatively, or on behalf of himself or herself, or in any other
9 capacity of any kind whatsoever, any action in this Court, any other court, or any arbitration or
10 mediation proceeding or any other similar proceeding, against any Released Party that asserts
11 any claims that are Released Claims under the terms of the Settlement; and providing that any
12 Person who violates such injunction shall pay the costs and attorneys' fees incurred by any
13 Released Party as a result of the violation; (i) awarding reasonable attorneys' fees and costs to
14 Class Counsel, subject to the limitations set forth herein, or reserving jurisdiction with respect
15 thereto; (j) reserving continuing and exclusive jurisdiction over all matters related to the
16 administration and consummation of the terms of this Settlement, over the enforcement,
17 construction and interpretation of this Settlement Agreement and/or the Final Approval order,
18 including, but not limited to, the provisions therein enjoining any further litigation of Released
19 Claims, and over Plaintiffs and all Settlement Class Members/Aggrieved Employees (and their
20 attorneys and law firms) in connection therewith; and (k) ordering that the Settlement Agreement
21 shall operate as a full, complete, and final release of all the Released Claims of all Class
22 Members who do not submit a valid exclusion request, and to all Aggrieved Employees.

23 (d) After entry of the Final Approval Order, the Court shall have continuing
24 jurisdiction for purposes of addressing (1) settlement administration matters; (2) such post-Final
25 Order matters as may be appropriate under Court rules or as set forth in this Settlement
26 Agreement; and (3) ruling on the stipulated request for final judgment of entire action when all
27 aspects of the settlement have been consummated.

1 **4.9 Submission of Final Order to LWDA.** Within ten (10) days of the Court
2 entering a Final Approval Order, Plaintiffs shall submit to the LWDA a copy of the Final
3 Approval Order pursuant to the requirements set forth in Labor Code section 2699(1)(3).

4 **4.10 Resolution of Disputes Concerning Administration of Settlement.** Any
5 disputes concerning the administration of the Settlement (including those concerning the
6 Individual Settlement Amounts) not resolved by the Parties will initially be resolved by the
7 Settlement Administrator. If the Settlement Administrator's decision is not accepted, the
8 dissatisfied Party may request the Court to make a final decision.

9 **5. FUNDING OF SETTLEMENT AND OTHER PAYMENTS.**

10 **5.1** Within thirty (30) days after the Effective Date, Defendant shall deliver the Gross
11 Settlement Amount to the Settlement Administrator. The payment of Court-approved Class
12 Counsel's attorneys' fees and costs shall be paid to Class Counsel within fifteen (15) days after
13 Defendant pays the Gross Settlement Amount to the Settlement Administrator. The payment of
14 \$7,500.00 to the Labor Workforce Development Agency, representing 75% of the PAGA
15 Payment, shall be paid within fifteen (15) days after Defendant pays the Gross Settlement
16 Amount to the Settlement Administrator. The payment of Court-approved Settlement
17 Administration expenses shall be paid to the Settlement Administrator within fifteen (15) days
18 after Defendant pays the Gross Settlement Amount to the Settlement Administrator. The
19 attorneys' fees, costs and reasonably related expenses shall be paid by a check or wire transfer to
20 Class Counsel. Payment of charges by the Settlement Administrator will be made directly to the
21 Settlement Administrator.

22 **5.2** Within fifteen (15) days after Defendant pays the Gross Settlement Amount to the
23 Settlement Administrator, the Settlement Administrator shall distribute the Individual Settlement
24 Amounts and Individual PAGA Payments to each Settlement Class Member and Aggrieved
25 Employee, respectively. All checks issued shall indicate on their face that, consistent with
26 standard bank procedures, they are void if not negotiated within one hundred eighty (180) days
27 of their issuance. The date of mailing of the settlement checks to the eligible Settlement Class
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1 Members and Aggrieved Employees shall be conclusively determined according to the records of
2 the Settlement Administrator. Any Settlement Class Member or Aggrieved Employee who fails
3 to cash the settlement check within the one hundred eighty (180) day period provided herein will
4 nonetheless remain a member of the Settlement Class and shall be bound by the terms and
5 conditions of this Settlement Agreement. The Settlement Administrator shall provide Class
6 Counsel and Defendant's Counsel with a complete list of all Settlement Class Members and
7 Aggrieved Employees who did not cash their settlement checks within fourteen (14) calendar
8 days after the expiration of the one hundred eighty (180) days provided for in this paragraph.

9 5.3 After one hundred eighty (180) days of issuance, uncashed checks will be
10 deposited with the State of California Controller's Office of Unclaimed Funds in the name of the
11 individual to whom the check had been addressed. The failure by any Class Member/Aggrieved
12 Employee to claim or deposit any check issued by the Settlement Administrator shall have no
13 effect on that Class Member's/Aggrieved Employee's release of all Released Claims (as defined
14 below).

15 5.4 The Settlement Administrator shall also remit all amounts withheld from
16 Individual Payment Amounts and all employer-related payroll taxes to the Internal Revenue
17 Service and California E.D.D., and/or any other proper entity to whom withholdings and
18 employer-related payroll taxes attributed to Individual Payment Amounts are due, no later than
19 one hundred and eighty (180) days after issuance of Individual Payment Amounts.

20 5.5 No person shall have any claim against the Settlement Administrator, Defendant
21 or any of the Released Parties, the Class Representatives, the Class Members, or Class Counsel
22 based on payments made substantially in accordance with this Settlement, or further Orders of
23 this Court.

24 **6. RELEASE OF CLAIMS**

25 6.1 Contingent upon full and final payment by Defendant of the Gross Settlement
26 Amount consistent with Section 5, the Plaintiffs and each Settlement Class Member shall be
27 deemed to have fully, finally, and forever released the Released Parties from all Released Class
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1 Claims and each Aggrieved Employee shall be deemed to have fully, finally, and forever
2 released the Released Parties from all Released PAGA Claims. If Defendant fails to fully fund
3 the Gross Settlement Amount consistent with Section 5, the releases set forth in this Section 6
4 shall not be effective.

5 **6.2 Releases By Settlement Class Members.** Each Settlement Class Member (along
6 with all persons purported to act on their behalf or purporting to assert a claim under or through
7 them, including, but not limited to, their spouses, dependents, attorneys, heirs and assigns,
8 beneficiaries, devisees, legatees, executors, estates, administrators, transferees, trustees,
9 conservators, guardians, personal representatives, and successors-in-interest, whether individual,
10 class, collective, representative, legal, equitable, direct or indirect, or any other type or in any
11 other capacity) shall, effective upon entry of the Final Approval Order of this Settlement by the
12 Court, and except as to such rights or claims as may be created by this Settlement Agreement,
13 fully release and discharge Defendant and its past, present and future parent companies,
14 subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and
15 related companies and joint venturers, as well as their respective current, former and future
16 officers, directors, members, managing members, directors, agents, trustees, shareholders,
17 assigns, beneficiaries, representatives, employees, managers, accountants, owners, investors,
18 partners, insurers, and attorneys, and all persons acting by, through, under or in concert with any
19 of them, including any party that was or could have been named as a defendant in the Action
20 based on the facts alleged, and each of them, both in their individual and representative
21 capacities (collectively, the “**Released Parties**”) to the maximum extent permitted by law, from
22 any and all claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses,
23 attorneys’ fees and costs, experts’ fees and costs, damages, actions and causes of action of every
24 nature and description, whether known or unknown, actual or potential, contained in or
25 reasonably arising out of the same set of operative facts in the Complaint, First Amended
26 Complaint, Second Amended Complaint, Third Amended Complaint, PAGA letter dated
27 September 27, 2023, Amended PAGA letter dated December 1, 2023, or Second Amended

PAGA letter dated January 26, 2024, or that could have been alleged based on any matter or fact set forth therein, during the Class Period, including, without limitation, claims for unpaid, miscalculated or untimely payment of wages (including, without limitation, regular wages, minimum wage, wages under the LWO, prevailing wages, overtime and double-time, vacation wages, and sick leave), inaccurate wage statements, untimely payment of wages during employment and upon termination thereof, failure to provide legally-compliant meal periods, failure to pay compliant meal and rest break premiums, failure to keep adequate records, pre- and post-judgment interest, compensatory and statutory compensation, general damages, disgorgement, declaratory relief, statutory damages, accounting of all minimum wages and sums allegedly unlawfully withheld as a result thereof, injunctive relief, restitution, statutory or civil penalties, interest and/or attorneys' fees as a result thereof, including, but not limited to, those arising under California Labor Code sections 201-203, 204, 210, 218.5, 223, 225.5, 226, 226.3, 226.7, 227.3, 246-248, 510, 512, 558, 1194, 1197, 1198, 2699(f), the applicable IWC Wage Order, as well as Labor Code section 2698, *et seq.*, California Business & Professions Code section 17200 *et seq.*, and California Civil Code section 1021.5 (collectively, the "**Released Class Claims**"). The *res judicata* effect of the Final Approval Order and Final Judgment will be the same as that of the release of Released Class Claims.

6.3 Releases By Aggrieved Employees. Each Aggrieved Employee (including Plaintiffs) and the LWDA shall, effective upon entry of the Order granting Final Approval of this Settlement by the Court, and except as to such rights or claims as may be created by this Agreement, fully release and discharge the Released Parties to the maximum extent permitted by law, from seeking civil penalties under California Labor Code section 2698 *et seq.*, with respect to any and all claims contained in or reasonably arising out of the same set of operative facts in the Complaint, Amended Complaint, Second Amended Complaint, Third Amended Complaint, PAGA letter dated September 27, 2023, Amended PAGA letter dated December 1, 2023, or Second Amended PAGA letter dated January 26, 2024, or that could have been alleged based on any matter or fact set forth therein, during the PAGA Period, including, without

1 limitation, claims for unpaid, miscalculated or untimely payment of wages (including, without
2 limitation, regular wages, minimum wage, wages under the LWO, prevailing wages, overtime
3 and double-time, vacation wages, and sick leave), inaccurate wage statements, untimely payment
4 of wages during employment and upon termination thereof, failure to provide legally-compliant
5 meal periods, failure to pay compliant meal and rest break premiums, failure to keep adequate
6 records, interest and/or attorneys' fees as a result thereof, including, but not limited to, those
7 arising under California Labor Code sections 201-203, 204, 210, 218.5, 223, 225.5, 226, 226.3,
8 226.7, 227.3, 246-248, 510, 512, 558, 1194, 1197, 1198, 2699(f), the applicable IWC Wage
9 Order during the PAGA Period (collectively, the "**Released PAGA Claims**"). The "Released
10 Class Claims" and "Released PAGA Claims" are jointly referred to as the "**Released Claims**".

11 6.4 **Section 1542 Release as to Released Claims and Plaintiffs' Released Claims**
12 **Only:**

13 The Released Claims and Plaintiffs' Released Claims (defined below) provided by this
14 Settlement Agreement include claims that Plaintiffs and Settlement Class Members, as
15 applicable, do not know or suspect to exist in their favor against the Released Parties, but only to
16 the extent the claims not known or suspected to exist constitute Released Claims or Plaintiffs'
17 Released Claims. Each Plaintiff and Class Member waives all rights and benefits afforded by
18 section 1542 of the California Civil Code and any other similar statute in another jurisdiction or
19 forum that may be applicable as it relates to the Released Claims and Plaintiffs' Released Claims
20 and does so understanding the significance of that waiver. Section 1542 of the California Civil
21 Code provides:

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

1 The Parties acknowledge that they may later discover facts different from or in addition
2 to those they now know or believe to be true regarding the Released Claims and Plaintiffs'
3 Released Claims, and in that event, they agree that the release of Released Claims and Plaintiffs'
4 Released Claims shall remain effective in all respects notwithstanding any later discovery of any
5 different or additional facts. The Parties assume any and all risk of any mistake with regard to
6 any facts now unknown to the Parties relating thereto.

7 **6.5 No Violation of Labor Code § 206.5:**

8 The Parties agree that they are entering into a stipulated settlement in a court action
9 where the principles of res judicata, merger or bar apply and operate to bar a new action. As
10 such, the Parties further agree that the execution of the above release constitutes an exception to,
11 and does not violate, Labor Code section 206.5, because there is a good-faith dispute as to
12 whether any wages are due at all to any Settlement Class Member or Aggrieved Employee. Each
13 Settlement Class Member and Aggrieved Employee is therefore also deemed to have
14 acknowledged and agreed that section 206.5 is not applicable to the parties. Section 206.5
15 provides in pertinent part as follows:

16 **AN EMPLOYER SHALL NOT REQUIRE THE**
17 **EXECUTION OF A RELEASE OF A CLAIM OR RIGHT ON**
18 **ACCOUNT OF WAGES DUE, OR TO BECOME DUE, OR**
19 **MADE AS AN ADVANCE ON WAGES TO BE EARNED,**
 UNLESS PAYMENT OF THOSE WAGES HAS BEEN
 MADE.

20 **6.6 Releases By Plaintiffs.** Plaintiffs (along with all persons purported to act on their
21 behalf or purporting to assert a claim under or through them, including, but not limited to, their
22 spouses, dependents, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors,
23 estates, administrators, transferees, trustees, conservators, guardians, personal representatives,
24 and successors-in-interest, whether individual, class, collective, representative, legal, equitable,
25 direct or indirect, or any other type or in any other capacity) shall, effective upon entry of the
26 Final Approval Order of this Settlement by the Court, and except as to such rights or claims as
27 may be created by this Settlement Agreement, fully release and discharge Defendant and the
28

Released Parties to the maximum extent permitted by law, from any and all claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses, attorneys' fees and costs, experts' fees and costs, damages, actions and causes of action of every nature and description, whether known or unknown, actual or potential, they have against the Released Parties through the date each Plaintiff signs this Agreement (collectively, "**Plaintiffs' Released Claims**"). Notwithstanding the foregoing, Plaintiff Claudia Marroquin does not release the claims in her currently-pending union grievance against FFG related to her termination from employment.

6.7 **No Other Actions.** Plaintiffs represent and warrant that, except for this Action and Plaintiff Marroquin's pending union grievance in connection with her termination from employment, they do not have any lawsuit, claim, charge, grievance or complaint (collectively, a "**Claim**") against the Released Parties pending in any forum, including without limitation, any local, state or federal agency or court, that constitutes a Released Claim or Plaintiffs' Released Claim. Plaintiffs, Settlement Class Members and Aggrieved Employees agree, to the extent permitted by law, that they will not, at any time on or after the Effective Date, file any Claim against the Released Parties in any forum including without limitation, any local, state or federal agency or court, but only to the extent the Claim constitutes a Released Claim or Plaintiffs' Released Claim. Furthermore, in the event that Plaintiffs/Settlement Class Members/Aggrieved Employees may be permitted by law to file or be joined in any such Claim, they understand and agree that they may not recover any amount in judgment or otherwise in any such Claim as a result of their release of the Released Claims or Plaintiffs' Released Claims, as applicable, set forth herein and acceptance of the terms and conditions of this Settlement Agreement.

6.8 **Release of Fees and Costs for Settled Matters.** Class Counsel and Plaintiffs, on behalf of the Class and each Settlement Class Member and Aggrieved Employee, hereby irrevocably and unconditionally release, acquit and forever discharge any claim that they may have against Defendant for attorneys' fees or costs associated with Class Counsel's representation of Plaintiffs, the Class and Aggrieved Employees. Class Counsel further understand and agree that any award of attorneys' fees and costs approved by the Court will be

1 the full, final and complete payment of all attorneys' fees and costs associated with Class
2 Counsel's representation of these individuals. Except as otherwise provided in this Settlement
3 Agreement, the Parties hereto will bear responsibility for their own attorneys' fees and costs,
4 taxable or otherwise, incurred by them or arising out of this Action and will not seek
5 reimbursement thereof from any Party to this Settlement Agreement.

6 **6.9 No Other Liability.** The Settlement Agreement shall be in full settlement,
7 compromise, release and discharge of the Released Claims and each of them, and the Released
8 Parties shall have no further or other liability or obligation to any member of the Settlement
9 Class or any other Releasing Class Party with respect to the Released Claims, except as
10 expressly provided herein.

11 **6.10 No Assignment of Rights.** The Settlement Class Members warrant and represent
12 that they have not assigned, transferred, or hypothecated, or purported to assign, transfer, or
13 hypothecate to any person or entity any of the Released Claims or any rights, claims, or causes
14 of action arising out of the Released Claims. This warranty and representation of non-
15 assignment shall survive the execution of this Settlement Agreement and the dismissal of the
16 Action. No Individual Settlement Payment shall be paid to any person or entity with respect to
17 whom the Named Plaintiffs and/or any Settlement Class Member have assigned, transferred, or
18 hypothecated, or purported to assign, transfer, or hypothecate any of the Released Claims or any
19 rights, claims, or causes of action arising out of, in connection with or related to the Released
20 Claims.

21 **7. ENFORCEMENT AND CONTINUING JURISDICTION OF THE COURT**

22 To the extent consistent with class action procedure, this Settlement Agreement shall be
23 enforceable by this Court. This Court shall have and retain continuing jurisdiction over this
24 Action and over all Parties and Settlement Class Members/Aggrieved Employees, to the fullest
25 extent necessary or convenient to enforce and effectuate the terms and intent of this Settlement
26 Agreement and all matters provided for herein, and to interpret it.

27 **8. MATERIAL TERMS AND VOIDING THE STIPULATION OF SETTLEMENT**

1 The release and waiver provisions of this Settlement Agreement are material terms. A
2 failure of the Court to approve any material term of this Settlement Agreement shall render the
3 entire Settlement Agreement voidable and unenforceable as to all Parties herein at the option of
4 either Party. Additionally, if the Judgment is reversed or modified as to any material term or
5 declared or rendered void as to any material term, then (1) at the option of either Party, this
6 Settlement Agreement shall be considered null and void and (2) neither this Settlement
7 Agreement nor any of the released negotiations or proceedings will be of any force or effect.
8 The parties agree that Sections 3.4, 3.5, 3.6, 3.7 and 3.8 of this Settlement Agreement are
9 severable from the remainder of the Settlement Agreement only in the sense that any reduction in
10 amount by the Court of Class Counsel's attorneys' fees and costs, the Settlement Administration
11 expenses, or the PAGA Payment, or a change by the Court with respect to the tax treatment of
12 the Individual Settlement Payments shall in no way affect the validity and effect of the remainder
13 of this Settlement Agreement

14 **9. NULLIFICATION OF SETTLEMENT AGREEMENT.**

15 In the event: (a) the Court denies preliminary approval of the Settlement; (b) the Court
16 denies final approval of the Settlement; (c) the Court refuses to enter the contemplated Final
17 Approval Order and Final Judgment as provided herein; or (d) the Settlement does not become
18 final for any other reason, this Settlement Agreement shall be null and void and any order or
19 judgment entered by the Court in furtherance of this Settlement shall be treated as void from the
20 beginning. In the event the total number of valid and timely Requests for Exclusion exceed 10%,
21 or Plaintiffs opt out of the Settlement, Defendant has the option to cancel or nullify this
22 Settlement prior to the Final Approval Hearing via a written notice to Class Counsel within
23 fourteen (14) calendar days of the Settlement Administrator providing Defendant's Counsel a
24 final report specifying the number of valid and timely Requests for Exclusion. If one or more of
25 such events occur causing the Settlement Agreement to become null and void, the Parties shall
26 proceed in all respects as if this Agreement had not been executed, except that any fees already
27 incurred by the Settlement Administrator shall be paid by the Party terminating the Settlement,
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1 or Defendant will be solely responsible for the costs incurred for the Settlement administration
2 should it exercise its option to nullify this Agreement due to the number of opt-outs. If the
3 Settlement is terminated by Defendant due to Plaintiffs requesting exclusion from or objecting to
4 the Settlement, Plaintiffs will be solely responsible for the costs incurred for the Settlement
5 administration. In the event an appeal is filed from the Court's Final Approval Order and/or Final
6 Judgment, or any other appellate review is sought, administration of the Settlement shall be
7 stayed pending final resolution of the appeal or other appellate review, but any fees incurred by
8 the Settlement Administrator prior to it being notified of the filing of an appeal from the Court's
9 Final Approval Order and/or Final Judgment, or any other appellate review, shall be split equally
10 by Defendant and Plaintiffs and paid to the Settlement Administrator by each party within thirty
11 (30) calendar days of said notification.

12 **10. USE OF DEFENDANT'S CONFIDENTIAL INFORMATION.**

13 Class Counsel represent that they have received Defendant's information during the
14 course of discovery/information discovery in this Action. Plaintiffs and Class Counsel agree not
15 to disclose or use any information related to this Action for any purpose other than the settlement
16 of this Action, including any information learned during this Action, the documents or discovery
17 responses provided to Class Counsel by Defendant, and/or any information in those documents
18 or responses, except for use of such information to enforce this Settlement Agreement or any of
19 its terms or provisions, or in the event Preliminary or Final Approval is not granted (to the extent
20 the information is not protected by the mediation or settlement privilege). Furthermore, to the
21 extent Plaintiffs have any originals or copies of Defendant's documents, with the exception of
22 documents directly relating to Plaintiffs' employment that were not obtained through this Action
23 (e.g., pay stubs and letters), Plaintiffs agree to destroy or to return such originals and copies of
24 such documents to Defendant upon the Effective Date of the Settlement.

25 **11. MUTUAL FULL COOPERATION**

26 The Parties agree to fully cooperate with each other to accomplish the terms of this
27 Settlement Agreement, including but not limited to, execution of such documents and such other
28

actions as may be reasonably necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may be necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. The Parties shall take all necessary steps to secure the Court's final approval of this Settlement Agreement.

12. REPRESENTATIONS

The Parties represent and agree that they have been advised to discuss this Settlement Agreement with an attorney of their choosing, that they have carefully read and fully understand all provisions of this Settlement Agreement, that they are voluntarily entering into it and that they have the capacity to enter into this Settlement Agreement. Further, the Parties represent and acknowledge that, in executing this Settlement Agreement, they do not rely and have not relied upon any representation or statement not set forth herein made by any of the Parties or any of the Parties' agents, representatives or attorneys with regard to the subject matter, basis or effect of this Settlement Agreement or otherwise.

13. NO ADMISSIONS

Nothing contained in this Settlement Agreement, nor the consummation of thereof, shall constitute, be construed or deemed an admission by or on behalf of Defendant, or any of the other Released Parties, of any form of liability, culpability, negligence or wrongdoing, or of the accuracy of any allegation made by Plaintiff or his counsel. Each of the Parties hereto has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expense. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Rule 408 of the Federal Rules of Evidence, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the Settlement and/or interpret this Agreement. The stipulation for class certification as part of this Settlement Agreement is for settlement purposes only and if, for any reason the Settlement is not approved, the stipulation will be of no force and effect.

Defendant specifically does not admit that this Action could or should be certified as a class action.

14. PRELIMINARY TIMELINE FOR COMPLETION OF SETTLEMENT

The preliminary schedule for notice, approval, and payment procedures carrying out the Settlement is as follows. The schedule may be modified depending on whether and when the Court grants necessary approvals and orders notice to the Class, and sets further hearings. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Settlement Agreement, as described above. In the event of such modification, the Parties shall cooperate in order to complete the settlement procedures as expeditiously as reasonably practicable:

Proposed Timing	Event
Within thirty (30) calendar days after entry of Preliminary Approval Order	Defendant to provide a Class List to the Settlement Administrator, in excel format, containing the following information: names of Class Members and Aggrieved Employees, most recent mailing addresses, most recent phone numbers, and social security numbers, as well as the Aggrieved Employees' pay periods during the PAGA Period and the Class Members' workweeks during the Class Period
Fourteen (14) calendar days after receipt of Class List	Settlement Administrator to mail Settlement Notices to Class Members
Five (5) calendar days after each Notice is returned as undeliverable	Settlement Administrator to complete trace/search efforts and send a follow up mailing of the Notice
Forty-Five (45) calendar days after the Settlement Administrator postmarks the Notice Packets to Class Members/Aggrieved Employees	Deadline for Class Members/Aggrieved Employees to raise any challenges to the workweek calculations by contacting the Settlement Administrator and submitting relevant information

Forty-five (45) calendar days after the date the Settlement Administrator postmarks the Notice to Class Members	Deadline by which Class Members must submit written objections or Requests for Exclusion, except for objections to Class Counsel's motion for attorneys' fees and costs.
File Final Approval Motion and Motion for Attorneys' Fees and Costs	No less than 28 days before the Final Approval Hearing
14 days before Final Approval Hearing	Deadline for objections to Class Counsel's motion for attorneys' fees and costs.
Final Approval Hearing	Not earlier than one-hundred (100) calendar days after the date the Motion for Preliminary Approval is granted by the Court
Within thirty (30) calendar days after the Effective Date	Defendant to deposit with the Settlement Administrator the Gross Settlement Amount
Within fifteen (15) days after Defendant deposit the Gross Settlement Amount	Settlement Administrator to distribute the attorneys' fees and costs, Service Awards, the portion of the PAGA Payment to the LWDA, and the Settlement Administration expenses
Within fifteen (15) days after Defendant deposits the Gross Settlement Amount	Settlement Administrator to distribute the Individual Settlement Amounts to the Settlement Class Members and the Individual PAGA Payments to the Aggrieved Employees
One Hundred Eighty (180) calendar days from the date on which the Individual Settlement Payments are mailed to Settlement Class Members	Deadline for Settlement Class Members to Negotiate Individual Settlement Payment and Individual PAGA Payment checks

15. GENERAL PROVISIONS

1 **15.1 Parties' Authority.** The signatories hereto warrant and represent that they are
2 fully authorized to enter into this Settlement Agreement and to bind the Parties hereto to the
3 terms and conditions hereof. Class Counsel and Defendant's Counsel warrant and represent that
4 they are authorized to take all appropriate action required or permitted to be taken by the Parties
5 pursuant to this Settlement Agreement to effectuate its terms, and to execute any other
6 documents required to effectuate the terms of this Settlement Agreement, except for any
7 documents, including but not limited to this Settlement Agreement, that are required to be
8 executed by the Parties.

9 **15.2 Entire Agreement.** This Settlement Agreement constitutes the entire agreement
10 between the Parties relating to the settlement of this Action, and no representations, warranties or
11 inducements have been made to any party concerning this Settlement Agreement other than the
12 representatives, warranties and covenants contained and memorialized in this Settlement
13 Agreement.

14 **15.3 Modification Only In Writing.** This Settlement Agreement may be amended or
15 modified only by written instrument signed by all Parties (or their successors in interest) and
16 Defendant's Counsel and Class Counsel.

17 **15.4 Binding on Successors.** This Settlement Agreement shall be binding upon, and
18 shall inure to the benefit of, the Parties hereto and their respective heirs, trustees, executors,
19 administrators, successors and assigns.

20 **15.5 No Prior Assignments.** The Parties hereto represent, covenant, and warrant that
21 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
22 transfer, or encumber to or in favor of any person or entity any portion of any liability, claim,
23 demand, cause of action or rights herein released or discharged except as set forth herein.

24 **15.6 Governing Law.** All terms of this Settlement Agreement shall be governed by
25 and interpreted according to the laws of the State of California, without giving effect to conflicts
26 of laws principles.

1 **15.7 Notices.** Unless otherwise specifically provided herein, all notices, demands or
2 other communications given hereunder shall be in writing via email and U.S. Mail, and shall be
3 deemed to have been duly given as of the third (3rd) business day after mailing by U.S. Mail,
4 addressed:

5 To the Settlement Class/Aggrieved Employees:

6 TEUKOLSKY LAW, APC
7 Lauren Teukolsky (SBN 211381)
8 *lauren@teuklaw.com*
9 595 E Colorado Blvd., Suite 418
10 Pasadena, CA 91101
11 Telephone: (626) 522-8982
12 Facsimile: (626) 522-8983

13 UNITE HERE LOCAL 11
14 Alyssa Peterson (SBN 338898)
15 *apeterson@unitehere11.org*
16 464 Lucas Ave. #201
17 Los Angeles, CA 90017
18 Telephone: (213) 481-8530 x 233
19 Facsimile: (213) 481-0352

20 To Defendant

21 MAYER BROWN LLP
22 Ruth Zadikany
23 *rzadikany@mayerbrown.com*
24 C. Mitchell Hendy
25 *mhendy@mayerbrown.com*
26 333 South Grand Avenue, 47th Floor
27 Los Angeles, California 90071-1503
28 Tel: (213) 229-9500
 Fax: (213) 625-0248

15.8 Press Releases. The Parties and their respective counsel shall not issue any press
release or media release or have any communication with the press or media regarding this
Settlement Agreement except as mutually agreed upon or as required by law or for accounting or
legal purposes. This provision shall not apply to press or media releases related to securities
filings and notices.

1 **15.9 Headings for Convenience Only.** The headings of any paragraphs or sections of
2 this Settlement Agreement are inserted for convenience of reference only and shall not be
3 considered in interpreting this Settlement Agreement.

4 **15.10 Construction of This Settlement Agreement.** The Parties hereto agree that the
5 terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arms-
6 length negotiations between the Parties and that this Agreement shall not be construed in favor of
7 or against any Party by reason of the extent to which any Party or his, her or its counsel
8 participated in the drafting of this Settlement Agreement.

9 **15.11 Effect of Provisions.** Each term of this Settlement Agreement is contractual and
10 is not merely a recital.

11 **15.12 Deadlines.** Without further order of the Court, the Parties hereto may agree in
12 writing to reasonable extensions of time to carry out any of the provisions of the Settlement. In
13 addition, to the extent that any deadline set forth in this Settlement Agreement falls on a
14 Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business
15 day.

16 **15.13 Counterparts and Fax Signatures.** This Settlement Agreement may be
17 executed in one or more counterparts. All executed counterparts and each of them shall be
18 deemed to be one and the same instrument, provided that counsel for the Parties shall exchange
19 original signed counterparts. A fax signature on this Settlement Agreement shall be as valid as
20 an original signature.

21 **15.14 Signatures of All Settlement Class Members and Aggrieved Employees**
22 **Unnecessary.** It is agreed that because the Settlement Class Members and Aggrieved
23 Employees are numerous, it is impractical to have each Settlement Class Member and Aggrieved
24 Employee execute this Settlement Agreement. The Class Notice will advise all Class Members
25 of the binding nature of the release provided herein, and such shall have the same force and
26 effect as if this Settlement Agreement were executed by each Settlement Class Member.

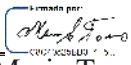
27 **15.15 Entity Signatories.**

1 Any person executing this Settlement Agreement or any related document on behalf of a
2 signatory that is a corporation, entity or organization hereby warrants and promises for the
3 benefit of all Parties hereto that he or she has been duly authorized by such corporation, entity or
4 organization to execute this Settlement Agreement on behalf of such corporation, entity or
5 organization.
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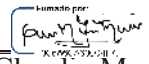
IT IS SO AGREED:

PLAINTIFFS

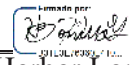
DATED: 9/24/2024


Maria Torres

DATED: 9/24/2024


Claudia Marroquin

DATED: 9/24/2024


Herber Lopez

FLYING FOOD GROUP LLC

DATED: _____

By: _____

Title: _____

Approved Only As To Form By Class Counsel:

DATED: September 23, 2024

TEUKOLSKY LAW, APC

By: 
Lauren Teukolsky
Attorneys for Plaintiffs
Maria Torres, Claudia Marroquin and
Herber Lopez

Approved Only As To Form by Defendant's Counsel:

DATED: _____

MAYER BROWN LLP

By: _____
Ruth Zadikany
Attorneys for Defendant
Flying Food Group LLC

1 IT IS SO AGREED:

2 PLAINTIFFS

3 DATED: _____

4 Maria Torres

5 DATED: _____

6 Claudia Marroquin

7 DATED: _____

8 Herber Lopez

9 FLYING FOOD GROUP LLC

10 DATED: 9/9/2024

11 

12 By: David L. Cotton

13 Title: Chief Executive Officer

14
15 **Approved Only As To Form By Class Counsel:**

16 DATED: _____

17 TEUKOLSKY LAW, APC

18
19 By: _____

20 Lauren Teukolsky
21 Attorneys for Plaintiffs
22 Maria Torres, Claudia Marroquin and
23 Herber Lopez

24
25 **Approved Only As To Form by Defendant's Counsel:**

26 DATED: 9/9/2024

27 MAYER BROWN LLP

28 By: 

Ruth Zadikany
Attorneys for Defendant
Flying Food Group LLC

EXHIBIT A

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION
LAWSUIT AND FINAL APPROVAL**

***You are not being sued. Please read this Notice carefully. Your rights may be affected.
You may be entitled to money from this Settlement.***

**United States District Court for the Central District of California
Maria Torres, et al. v. Flying Food Group LLC, et al.
Case Number 2:23-cv-9980-SB**

EMPLOYMENT RECORDS SHOW THAT YOU ARE OR WERE EMPLOYED AT ONE OF FLYING FOOD GROUP LLC'S FACILITIES IDENTIFIED BELOW AS A NONEXEMPT EMPLOYEE BETWEEN SEPTEMBER 27, 2019 AND [INSERT DATE], AND MAY BE A MEMBER OF THE BELOW-DESCRIBED SETTLEMENT CLASS.

INTRODUCTION

This Notice is to inform you of a proposed settlement (the "Settlement") of the alleged class action lawsuit entitled *Maria Torres, et al. v. Flying Food Group LLC, et al.* (Case No. 2:23-cv-9980-SB), that is currently pending in the United States District Court for the Central District of California (the "Lawsuit"). The Lawsuit was filed by Plaintiff Maria Torres, who was later joined by Claudia Marroquin and Herber Lopez (together, the "Plaintiffs") against Defendant Flying Food Group LLC ("Defendant" or "FFG") on behalf of the following groups of employees (1) all current and former nonexempt hourly employees of FFG who worked at any of the following facilities between September 27, 2019 and [INSERT DATE]: 5807 W. 98th St., Los Angeles, CA 90045, 6751 W. Imperial Hwy., Los Angeles, CA 90045, 901 W. Hillcrest Blvd., Inglewood, CA 90301, and 5253 W. Imperial Hwy., Los Angeles, CA 90045 (collectively, the "Facilities") (the "Class"), and (2) all non-exempt hourly employees who were employed by FFG at any of FFG's Facilities at any time from February 1, 2023 through October 8, 2023 who were paid less than the Los Angeles Living Wage Ordinance ("LWO") hourly full cash wage rate (the "LWO Subclass") (jointly referred to as "Class Members").

A hearing was held on [INSERT DATE] in the United States Court for the Central District of California, at which the Honorable Stanley Blumenfeld Jr., United States District Court Judge, preliminarily approved the settlement of this Lawsuit and instructed that you receive this Notice. You have received this Notice because FFG's records show that you worked for FFG as a nonexempt employee at one of the Facilities in California at some point between September 27, 2019 and [INSERT DATE], 2024 (the "Class Period"). Your rights may be affected by this Settlement.

The Court will hold a Final Approval Hearing about the proposed settlement on [INSERT DATE] at 8:30 a.m., in the courtroom of Judge Stanley Blumenfeld Jr., Courtroom 6C of the District Court for the Central District of California, located at 350 West 1st Street, Los Angeles, CA, 90012, 6th Floor. The Court must approve the terms of the settlement described below as fair and reasonable to Class Members, and the Plaintiffs will ask it to do so at that hearing. The Settlement will affect all Class Members. You may get money from the Settlement as described below. The date of the Final Approval Hearing may change without notice, so please check the Court's website or contact the Settlement Administrator to confirm the correct hearing date.

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
PARTICIPATE	To receive a cash payment from the Settlement, <u>you do not need to do anything</u> . If you do nothing, you will receive a cash payment from the Settlement. You will also give up your rights to be part of any other lawsuit involving the same or similar legal claims as the ones in this Lawsuit, and will release all such claims.
SUBMIT A WORKWEEK COUNT DISPUTE	Dispute the number of workweeks listed in this Notice by contacting the Settlement Administrator and providing documentation by no later than [INSERT DATE] . Receive an Individual Settlement Payment once the dispute is resolved and give up any right to sue for Released Claims.
EXCLUDE YOURSELF	The only way for you to be part of any other lawsuit against Defendant involving the same or similar legal claims as the class claims in this case is to submit a Request for Exclusion to the Settlement Administrator postmarked no later than [INSERT DATE] . People who choose to exclude themselves are “Opt Outs.” Instructions for submitting a Request for Exclusion are set forth below.
OBJECT	If you want to object to the Settlement of the class claims, you should file a written Objection with the Court and mail the Objection to the Settlement Administrator postmarked no later than [INSERT DATE] .

1. What Is This Case About?

On September 27, 2023, Plaintiff Maria Torres filed a class action complaint against Flying food Group LLC in the Los Angeles County Superior Court, Case No. 23STCV23422. The case was removed to the United States District Court for the Central District of California. On February 9, 2024, a third amended complaint was filed by Plaintiff Maria Torres and by additional Plaintiffs Claudia Marroquin and Herber Lopez. The third amended complaint in the Lawsuit, which is the operative complaint, alleges claims for (1) violation of the Los Angeles Living Wage Ordinance, L.A.A.C. § 10.37, *et seq.*; (2) underpayment of overtime wages (Labor Code §§ 510 and 1194); (3) underpayment of non-overtime wages (Labor Code §§ 218.5, 226.7, 227.3, 246); (4) failure to comply with meal period requirements (Labor Code § 226.7); (5) failure to timely pay wages upon termination of employment (Labor Code §§ 201-203); (6) failure to provide accurate, itemized wage statements (Labor Code § 226); (7) violation of California Business and Professions Code section 17200 as a result of the above-referenced violations; and (8) representative claims for civil penalties under the Private Attorneys General Act (Labor Code § 2698, *et seq.*) (“PAGA”) based on the above-referenced alleged violations.

FFG denies all of the allegations in the Lawsuit, denies all liability and contends that Plaintiffs’ claims do not have merit and do not meet the requirements for class certification. There has been no finding in the Lawsuit that FFG did anything wrong, and by settling, FFG does not admit that it has any liability for the Plaintiffs’ or any Class Members’ claims.

2. Who Are The Attorneys Representing The Named Plaintiffs?

TEUKOLSKY LAW, APC
LAUREN TEUKOLSKY (SBN 211381)
lauren@teuklaw.com
595 E. Colorado Blvd., Suite 418
Pasadena, California 91101
Telephone: 626.522.8982
Facsimile: 626.522.8983

If you have any questions regarding this Notice or the proposed Settlement, please contact counsel for the Plaintiffs and Class listed above.

3. What Are My Rights?

If you fit the description of a Class Member, you have three options. Each option has its own consequences, which you should make sure you understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are as follows:

A. Option One: Participate In the Settlement as a Class Member and Receive Money

To participate in the Settlement, **YOU DO NOT NEED TO DO ANYTHING**. Class Counsel, appointed and approved by the Court for Settlement purposes only, will represent you and all other Class Members. However, you do have the right to consult with your own attorney. The settlement administrator that has been hired to administer this settlement, Phoenix Claims Administration (the “Settlement Administrator”), will send you a check at a later date.

B. Option Two: You Can Exclude Yourself (“Opt Out”) from Settlement of the Class Claims.

If you **do not** want to be part of this Settlement as to the class claims (the “Class Claims”), you must submit a written request, referred to as a “Request for Exclusion,” to the Settlement Administrator to be excluded from the Settlement of the Class Claims. The written request must state your name, the last four digits of your Social Security Number or Tax ID Number, address, and telephone number. It must also contain words that clearly describe your intention to opt out of the Settlement, such as: “I elect to exclude myself from settlement of the Class Claims in the *Torres* litigation” in order to be valid. The Request for Exclusion must be signed by you. No Request for Exclusion may be made on behalf of an individual or group of Class Members. Any Class Member who requests to be excluded from this Settlement will **not** receive a settlement payment for the Class Claims and will not be bound by the terms of the Settlement as to the Class Claims or have any right to object, appeal or comment on the Settlement of the class claims.

The Request for Exclusion must be sent by mail to the Settlement Administrator at the following address **[INSERT ADDRESS]** and must be postmarked by **[INSERT DATE]**. The Judgment following approval of the settlement by the Court will bind all Class Members who do not request exclusion from the Settlement.

C. Option Three: You May Object to the Settlement of the Class Claims.

You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out, and the lawsuit will continue. If that is what you want to happen, you must object.

If you wish to object to the Settlement, please send to the Settlement Administrator a written statement objecting to the Settlement of the Class Claims, the proposed Class, or any portion of the Settlement that sets forth the specific grounds for your objection. All written objections and supporting papers must clearly identify the case name and number (*Maria Torres, et al. v. Flying Food Group LLC, et al.* (Case No. 2:23-cv-9980-SB)) and be postmarked on or before **[DEADLINE]**. In order to object to the Settlement, you may not exclude yourself.

Class Counsel will file their motion for attorneys' fees and costs by **[28 days before Final Approval Hearing]**. You may submit objections to Class Counsel's motion up to **[14 days before Final Approval Hearing]**, but all other objections must be submitted by **[DEADLINE]**.

You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. The date of the Final Approval Hearing may change without notice, so please check the Court's website or contact the Settlement Administrator to ensure the correct hearing date.

4. How Does this Settlement Affect My Rights?

Unless you file a Request for Exclusion, you will be giving up your right (if any) to pursue all claims arising out of or related to the claims that were made in this Lawsuit. That is because the release (which is contained in the settlement agreement that has been filed with the Court and releases those claims as to anyone who does not file a Request for Exclusion) states:

Each Settlement Class Member (along with all persons purported to act on their behalf or purporting to assert a claim under or through them, including, but not limited to, their spouses, dependents, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors, estates, administrators, transferees, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, collective, representative, legal, equitable, direct or indirect, or any other type or in any other capacity) shall, effective upon entry of the Final Approval Order of this Settlement by the Court, and except as to such rights or claims as may be created by this Settlement Agreement, fully release and discharge Defendant and its past, present and future parent companies, subsidiaries, predecessors, successors, affiliates, divisions, joint employers, co-employers and related companies and joint venturers, as well as their respective current, former and future officers, directors, members, managing members, directors, agents, trustees, shareholders, assigns, beneficiaries, representatives, employees, managers, accountants, owners, investors, partners, insurers, and attorneys, and all persons acting by, through, under or in concert with any of them, including any party that was or could have been named as a defendant in the Lawsuit based on the facts alleged, and each of them, both in their individual and representative capacities (collectively, the **"Released Parties"**) to the maximum extent permitted by law, from any and all claims, rights, demands, debts, obligations, guarantees, liabilities, costs, expenses, attorneys' fees and costs, experts' fees and costs, damages, actions and causes of action of every nature and description, whether known or unknown, actual or potential, contained in or reasonably arising out of the same set of operative facts in the Complaint, First Amended Complaint, Second Amended Complaint, Third Amended Complaint, PAGA letter dated September 27, 2023, Amended PAGA letter dated December 1, 2023, or Second Amended PAGA letter dated January 26, 2024, or that could have been alleged based on any matter or fact set forth therein, during the Class Period, including, without limitation, claims for unpaid, miscalculated or untimely payment of wages (including, without limitation, regular wages, minimum wage, wages under the LWO, prevailing wages, overtime and double-time, vacation wages, and sick leave), inaccurate wage statements, untimely payment of wages during employment and upon termination

thereof, failure to provide legally-compliant meal periods, failure to pay compliant meal and rest break premiums, failure to keep adequate records, pre- and post-judgment interest, compensatory and statutory compensation, general damages, disgorgement, declaratory relief, statutory damages, accounting of all minimum wages and sums allegedly unlawfully withheld as a result thereof, injunctive relief, restitution, statutory or civil penalties, interest and/or attorneys' fees as a result thereof, including, but not limited to, those arising under California Labor Code sections 201-203, 204, 210, 218.5, 223, 225.5, 226, 226.3, 226.7, 227.3, 246-248, 510, 512, 558, 1194, 1197, 1198, 2699(f), the applicable IWC Wage Order, as well as Labor Code section 2698, *et seq.*, California Business & Professions Code section 17200 *et seq.*, and California Civil Code section 1021.5 (collectively, the **"Released Class Claims"**). The *res judicata* effect of the Final Approval Order and Final Judgment will be the same as that of the release of Released Class Claims.

Each Aggrieved Employee (including Plaintiffs) and the LWDA shall, effective upon entry of the Order granting Final Approval of this Settlement by the Court, and except as to such rights or claims as may be created by this Agreement, fully release and discharge the Released Parties to the maximum extent permitted by law, from seeking civil penalties under California Labor Code section 2698 *et seq.*, with respect to any and all claims contained in or reasonably arising out of the same set of operative facts in the Complaint, Amended Complaint, Second Amended Complaint, Third Amended Complaint, PAGA letter dated September 27, 2023, Amended PAGA letter dated December 1, 2023, or Second Amended PAGA letter dated January 26, 2024, or that could have been alleged based on any matter or fact set forth therein, during the PAGA Period, including, without limitation, claims for unpaid, miscalculated or untimely payment of wages (including, without limitation, regular wages, minimum wage, wages under the LWO, prevailing wages, overtime and double-time, vacation wages, and sick leave), inaccurate wage statements, untimely payment of wages during employment and upon termination thereof, failure to provide legally-compliant meal periods, failure to pay compliant meal and rest break premiums, failure to keep adequate records, interest and/or attorneys' fees as a result thereof, including, but not limited to, those arising under California Labor Code sections 201-203, 204, 210, 218.5, 223, 225.5, 226, 226.3, 226.7, 227.3, 246-248, 510, 512, 558, 1194, 1197, 1198, 2699(f), the applicable IWC Wage Order during the PAGA Period (collectively, the **"Released PAGA Claims"**). The "Released Class Claims" and "Released PAGA Claims" are jointly referred to as the **"Released Claims"**.

5. How Much Can I Expect To Receive?

Defendant has agreed to pay a total of \$510,000 to settle the Lawsuit (the "Gross Settlement Amount"), allocated as follows: (1) up to \$15,000 will be allocated to pay for the costs of administering the settlement; (2) \$10,000 will be allocated to settlement of the PAGA claim (the PAGA Payment), with \$7,500 to be sent to the State of California Labor and Workforce Development Agency ("LWDA") and the remaining \$2,500 to be allocated among the Aggrieved Employees; (3) service awards approved by the Court to each of the three Plaintiffs of up to \$1,500 each (\$4,500 total); (4) Class Counsel's attorneys' fees approved by the Court of up to \$50,000; (6) Class counsel's costs and expenses approved by the Court of up to \$2,000; (5) any legally required employer's-side payroll taxes for each Class Member's Individual Settlement Payment; and (6) the balance (the "Net Settlement Amount") to be allocated to the Settlement Class Members ("Individual Settlement Payments").

The Net Settlement Amount will be approximately \$ [REDACTED] and will be allocated to pay the Class Members' Individual Settlement Payments to be distributed to Class Members who do not opt out of the settlement ("Settlement Class Members"). These Individual Settlement Payments will represent

payment for any, *inter alia*, unpaid wages, penalties of any kind (except for penalties under PAGA), interest, fees for legal and other professional services, and expenses due or claimed to be due at any time during the Class Period, by all members of the Class. 85% of the Net Settlement Amount will be allocated to the claims of the LWO Subclass members who do not opt out of the Settlement (“LWO Settlement Subclass”) (the “LWO Settlement Subclass Payment”), and the remaining 15% of the Net Settlement Amount will be allocated among all Settlement Class Members (the “Class Member Payment”). Each Settlement Class Member’s Individual Class Settlement Payment shall be determined by (a) dividing the Settlement Class Member’s total number of workweeks worked for FFG during the Class Period by the total number of workweeks worked by all Settlement Class Members for FFG during the Class Period, and (b) multiplying that pro rata share by the Class Member Payment. Similarly, each LWO Settlement Subclass Member’s share of the LWO Settlement Subclass Payment (“Individual LWO Settlement Payment”) shall be determined by (a) dividing the LWO Settlement Subclass Member’s total number of workweeks worked for FFG during the LWO Subclass Period by the total number of workweeks worked by all LWO Settlement Subclass Members for FFG during the LWO Subclass Period (i.e., February 1, 2023 through October 8, 2023), and (b) multiplying that pro rata share by the LWO Settlement Subclass Payment.

In addition, \$2,500 of the Gross Settlement Amount will be allocated to pay Aggrieved Employees’ settlement payments to be distributed to Aggrieved Employees (the “PAGA Payment”), which payments will represent payment for penalties under PAGA. Each Aggrieved Employee will be allocated a pro rata amount of the PAGA Payment based on the number of pay periods he or she worked as a nonexempt employee for Defendant during the PAGA Period (the “Individual PAGA Settlement Payment”).

Your Individual Settlement Payment will depend on the number of workweeks you worked at FFG’s Facilities during the relevant time periods. The calculation of Individual Settlement Payments is based on data provided by FFG. Such employment records will be determinative with respect to the number of workweeks Class Members worked.

Based on FFG’s records, you worked as a Class Member for [number] workweeks during the Class Period (i.e., from September 27, 2019 through [preliminary approval date]) [and you worked as an LWO Subclass Member for [number] workweeks during the LWO Subclass Period (i.e., from February 1, 2023 to October 8, 2023)]. Based on the number of workweeks you worked for FFG as a Class Member [and as an LWO Subclass Member], your estimated gross Individual Settlement Payment (before tax deductions) is \$ [redacted]. Based on FFG’s records, you worked [number] pay periods during the PAGA period (i.e., from September 27, 2022 to [preliminary approval date]) and your estimated Individual PAGA payment is \$ [redacted].

If you dispute any of the information stated above (such as the number of workweeks), you must contact the Settlement Administrator with details of your dispute and provide documentary evidence (for example, W-2s or paystubs) not later than [INSERT DATE]. Specifically, the written dispute must: (1) contain the case name and number of the Lawsuit; (2) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) clearly state that you dispute the number of workweeks or pay periods credited to you, and what you contend is the correct number to be credited to you; (4) attach any documentation that you have to support the dispute; and (5) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before [insert Response Deadline].

NOTE: It is your responsibility to keep a current address on file with the Settlement Administrator to ensure that you receive your Individual Settlement Payment. If you fail to keep your address current, you may not receive your Individual Settlement Payment.

The Individual Settlement Payment is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of Individual Settlement Payment. The payments described above will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Once the settlement checks are mailed, Class Members will have one hundred and eighty (180) calendar days to cash their settlement checks. Any checks which remain uncashed after that date shall be transferred to the State of California Controller's Office of Unclaimed Funds in the name of the individual to whom the check had been addressed. None of the parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

6. How Will The Attorneys For The Class and the Class Representatives Be Paid?

The attorneys for the Plaintiffs and the Class will be paid from the Gross Settlement Amount. The actual amount awarded will be determined by the Court, but will not exceed \$52,000.00 for attorneys' fees and litigation costs. Additionally, Plaintiffs Torres, Marroquin, and Lopez will seek reimbursement for their services as class representatives in an amount not to exceed \$1,500.00 each.

You will not have to pay the attorneys who represented the Class Members in this Lawsuit or the Settlement Administrator separately. The Court will consider Class Counsel's request for fees and costs on the same day as the Final Approval Hearing, at _____.m. on [INSERT DATE], 2025. The deadline to submit objections to Class Counsel's motion for attorneys' fees is [14 days before Final Approval Hearing]. The procedure for objecting to Class Counsel's motion for attorneys' fees is the same as the procedure described in Section 3(C) above.

7. Whom Can I Contact If I have Further Questions?

The Court-appointed Administrator for this Class Action Settlement is as follows:

[Insert Contact Information]

If you have any questions regarding this Notice or proposed Settlement, you may also contact Class Counsel above.

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, you may contact Class Counsel at the contact information above, access the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or visit the office of the Clerk of the Court for the United States District Court for the Central District of California, 255 East Temple Street, Suite TS-134 Los Angeles, CA 90012, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.