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Attorneys for Plaintiff
HARLEY COLLINS, individually
and on behalf of the putative class and aggrieved employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF VENTURA**

HARLEY COLLINS, individually and on
behalf of the putative class,

Plaintiff,

vs.

GMH, INC., a corporation; WEST COAST
POWER SOLUTIONS, a corporation; and
DOES 1 – 50, Inclusive,

Defendants.

CASE NO.: 2023CUOE014707

*[Assigned for all purposes to the Honorable Ben
Coats. Department 43]*

**DECLARATION OF DANNY YADIDSION IN
SUPPORT OF MOTION FOR AN ORDER (1)
PRELIMINARILY APPROVING THE CLASS
ACTION SETTLEMENT; (2) APPROVING
NOTICE OF CLASS ACTION SETTLEMENT;
AND (3) SETTING HEARING FOR FINAL
APPROVAL**

Date: April 4, 2025
Time: 8:30 AM
Dept.: 43

*[Filed concurrently with the Notice of Motion and
Motion for Preliminary Approval of Settlement;
Declaration of Harley Collins; Declaration of
Jodey Lawrence of Third-Party Administrator,
Phoenix Class Action Administration, Inc.; Joint
Stipulation of Class Settlement; Class Notice; and
[Proposed] Order]*

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I, Danny Yadidsion, declare as follows:

1. I am an attorney at law, duly licensed and admitted to practice before all courts of the State of California. I am a shareholder of the law firm of Labor Law PC and counsel of record for Plaintiff Harley Collins (“Plaintiff” and the “Class Representative”) on behalf of similarly situated employees of Defendants GMH, Inc. and West Coast Power Solutions (“Defendants”). I and my firm are referred to herein as Class Counsel. I have personal knowledge of the facts herein and if called as a witness, I could and would competently testify.

2. All of the matters set forth herein are within my personal knowledge, except those matters that are stated upon information and belief. As to such matters, I believe them to be true. I have represented Plaintiff and the putative Class since the inception of this matter. I submit this declaration in support of the Motion for Preliminary Approval, filed by Plaintiff, on behalf of himself and other similarly situated employees of Defendant, and without opposition from Defendant. The Parties seek preliminary approval of the Joint Stipulation of Class Action and PAGA Settlement Release (the “Joint Stipulation”), a true and correct copy of which is attached hereto as **Exhibit 1**.

QUALIFICATIONS AND ADEQUACY OF CLASS COUNSEL

3. My firm is well qualified because of our experience, knowledge, and resources to act as counsel and represent Plaintiff and the putative class in this action. I exclusively practice employment law and am actively litigating several class actions at Labor Law PC. I have litigated numerous wage and hour class actions involving claims such as unpaid wages, failure to provide accurate wage statements, misclassification, waiting time penalties, and unfair competition. In all matters, the cases were handled as effectively as possible and novel issues constantly arose. In a case involving novel wage and hour issues, Judge R. Gary Klausner, US District Judge for the Central District of California, granted class certification of a nationwide class of over 1,000 employees and approved my request to be appointed as class counsel. (*Keith Ernst, et al. v. ZogSports Holdings LLC, et al.*, Case No. 2:18-cv-09043-RGK-MRW (C.D. Cal. February 21, 2019)). Judge Klausner subsequently granted preliminary and final approval of the Parties' settlement. In a separate action, on July 14, 2020, the Court granted class certification and approved my request to represent a class of exempt employees whom Plaintiff alleges were misclassified.

1 (*Archer v. Jack Nadel Inc.*, Los Angeles County Superior Court, Case No. 18STCV07761). In addition,
2 I have been appointed as class counsel for purposes of settlement in other class actions including *Troy*
3 *Richard Whitmark, et al. v. Altman Specialty Plants, Inc.* (San Diego County Superior Court, Case No.
4 37-2018-00055889-CU-OE-NC), *Antonio Llamas v. Mapfre Insurance & Subsidiaries, et al.* (Alameda
5 County Superior Court, Case No. RG 18931346), *Joyce Patton, et al. v. All-City Management Services,*
6 *Inc.* (Los Angeles County Superior Court, Case No. BC723958), *Rafael Becerra, Jr. v. Superior Home*
7 *Design, Inc.* (Los Angeles County Superior Court, Case No. 19STCV17368), and *Marie Barraza, et al. v.*
8 *MOGA Transport, Inc.* (Kern County Superior Court, Case No. BCV-20-103017).

9 4. Throughout my legal career, I have exclusively practiced employment law with a specific
10 focus on litigating wage and hour class actions. Prior to becoming a partner of Labor Law PC, I
11 exclusively practiced employment law for over nine years at defense firms. From approximately
12 December 2011 to September 2018, I exclusively practiced employment law and defended numerous
13 class actions at Jackson Lewis PC in Los Angeles. From June 2009 to December 2011, I exclusively
14 practiced employment law and defended numerous class actions at Lewis Brisbois Bisgaard & Smith
15 LLP in Los Angeles. I graduated from UCLA School of Law in May 2008. During law school, I also
16 learned about litigating wage and hour class actions while I worked at an employment litigation boutique
17 firm (Gleason & Favarote LLP). I have been responsible for numerous wage and hour class actions
18 throughout the State of California, in both state and federal courts. Throughout my legal career, I have
19 been responsible for all facets of class actions from the initial investigation of the allegations through
20 successful resolution. By way of example, shortly prior to leaving Jackson Lewis PC, I successfully
21 prevailed on a motion for class certification on behalf of my clients in a case heavily litigated for over
22 7.5 years and successfully moved to dismiss a complaint in federal court based on the federal enclave
23 doctrine. (*See Compton v. American Management Services*, Los Angeles County Superior Court, Case
24 No. BC 448343; *Issac Tafoya v. AECOM, Inc. et al.*, Case No. 2:18-cv-04113-GW-PLA (C.D. Cal. June
25 15, 2018.)

26 5. My extensive experience in litigating employment wage and hour matters has been integral
27 in identifying legal issues, evaluating the strengths and weaknesses of a case, and generally negotiating
28 fair and reasonable class action settlements. Practice in the narrow field of wage and hour litigation

1 requires skill and knowledge concerning the constantly evolving substantive law (at the state and federal
2 level), as well as the procedural law of class action litigation. In this action, I am fully equipped to use
3 the skills and knowledge I have developed through prosecuting and defending wage and hour class actions
4 to fairly and adequately represent the interests of the Class. Therefore, on the account of my resources,
5 experience, and knowledge, I am well qualified to act as class counsel and represent the Plaintiff and the
6 putative class members in this action.

7 6. For purposes of this motion, the proposed Class consists all persons who are employed or
8 have been employed in the State of California as an hourly, non-exempt employee by Defendants at any
9 time during the Class Period, as defined by the Joint Stipulation.

10 7. I do not believe that I have any conflicts of interest with the Class or the Class
11 Representative. I am not related to the Class Representative. Other than the Class Representative, I am
12 unaware of any other member of the class, and I do not believe I have any conflict with any class members.
13 I have not previously represented Defendants in any matter. I am also not aware of any potential conflict
14 between me, Defendants, Defendants' counsel, or anyone else. I attest that the Parties reached a settlement
15 after extensive, arm's length settlement negotiations.

16 8. I attest that under paragraphs 3, 4, 5, and 7, *supra*, I have the requisite adequacy to act as
17 Class Counsel and have an absence of conflict. I respectfully submit that I and Labor Law PC are well
18 suited to act as Class Counsel in this action, and we have and will continue to vigorously represent the
19 interests of the Class.

20 **PROCEDURAL HISTORY**

21 9. On September 27, 2023, Plaintiff Harley Collins filed a complaint in Ventura County
22 Superior Court alleging causes of action against Defendants GMH, Inc. and West Coast Power Solutions
23 for violations of the California Labor Code and other employment-related claims, *Harley Collins v. GHM,*
24 *Inc., et al.*, Ventura County Superior Court Case No. 2023CUOE014707 (the "Action").

25 10. On December 6, 2023, Plaintiff filed her First Amended Complaint ("FAC") to include
26 civil penalties under the Private Attorney's General Act ("PAGA").

27 11. On September 12, 2024, after conducting substantial informal discovery, the Parties
28 attended a full-day mediation before an experienced and well-regarded mediator, Steve Cerveris, Esq.

1 Shortly thereafter, the Parties reached an agreement in principle to settle the Action and seek approval of
2 the settlement in Action.

3 12. The FAC alleges claims for: (1) failure to pay wages for all hours worked; (2) failure to
4 pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to
5 reimburse business expenses; (6) failure to furnish timely and accurate wage statements; (7) failure to pay
6 compensation due upon discharge; (8) unfair, unlawful, or fraudulent business practices (*Bus & Prof.*
7 *Code §17200, et seq.*); and (9) PAGA Representative Action (*Labor Code §§ 2698*).

8 **INVESTIGATION AND DISCOVERY**

9 13. Before filing this lawsuit, Class Counsel investigated and researched the facts and
10 circumstances underlying the pertinent issues and the law applicable thereto. This required thorough
11 discussions and interviews between Class Counsel and Plaintiff, as well as preliminary research into
12 various legal issues involved in the case. After conducting the thorough initial investigation, Class Counsel
13 determined that Plaintiff's claims were well-suited for class action adjudication owing to what appeared
14 to be a common course of conduct affecting a similarly situated group of employees.

15 14. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and
16 claims giving rise to the action, including: (1) conducting informal discovery, preparing written discovery
17 and meeting and conferring with defense counsel about the same; (2) reviewing and analyzing time and
18 pay records as well as employment handbooks, Plaintiff's personnel file and related documents, relevant
19 company policies and other documentation; (3) researching the applicable law and potential defenses; (4)
20 constructing damage models based on interpretations of California law; and (5) reviewing information
21 provided by Defendants in the mediation. The Class enumerated in this action is ascertainable because the
22 Class Members may be readily identified by reference to Defendants' records. Defendants have agreed to
23 share the information from these records with the Settlement Administrator to identify and contact the
24 Class Members. This investigation revealed ultimately that there are approximately 349 class members.

25 15. Plaintiff engaged Defendants to seek relevant records and documents through informal
26 discovery mechanisms. In response, Defendant produced documents and data, including Plaintiff's
27 personnel files and related records, Defendant's employee handbook, Defendant's company policies and
28 procedures relating to its employment practices, and allegedly enforceable arbitration agreements.

16. Defendants, for their part, vigorously contests liability, the amount of claimed damages, and the propriety of class certification. After Class Counsel analyzed the relevant documents and other gathered data, Class Counsel identified numerous issues with respect to Defendants records and policies which they communicated to defense counsel. While Defendants disputed those issues, the parties subsequently agreed to mediation. Given the high level of risk present for both sides, the parties elected to mediate Plaintiff's claims and explore the possibility of settlement.

17. Through substantial informal and written discovery, Defendant provided Plaintiff's counsel with all relevant policy documents and time and pay data of the relative class size of approximately 349 employees.

18. After Plaintiff and Defendants conducted significant discovery in this action, the Parties agreed to participate in mediation. To prepare for mediation, Defendants informally produced additional information to Plaintiff to evaluate the class claims, including a spreadsheet containing information regarding the periods of employment, hourly rate of pay and number of weeks worked for each putative class member. Class Counsel thoroughly reviewed, investigated, and analyzed this information. Counsel for the Parties also investigated the law as applied to the discovered facts regarding the alleged claims of Plaintiff and the Class, potential defenses thereto, as well as the potential damages claimed by Plaintiff and the Class. Defendants posited numerous defenses to Plaintiff's class-based claims, including contentions that penalties for the alleged violations were not available because its actions were not "willful" within the meaning of the applicable statutes. This informal discovery process occurred over a period of several months and involved significant meet and confer efforts between counsel for the parties.

MEDIATION

19. On September 12, 2024, the Parties attended a full-day mediation before an experienced and well-regarded mediator, Steve Cerveris, Esq. In preparation for mediation, Plaintiff hired an expert to calculate Defendant's potential liability to Class Members. Plaintiff's damages model assumed that Plaintiff: (1) prevailed in certifying the putative class and (2) prevailed in establishing liability on the merits. During mediation, the Parties discussed all aspects of the case, including the risks of litigation and the risks to both parties of proceeding with a motion for class certification, as well as the law relating to failure to pay wages, meal and rest break matters, minimum and overtime wages, wage statements, timely

1 payment of wages during employment, payment of all wages due to discharged and quitting employees,
2 payment of agreed-to or contract wages. and the law relating to unfair and unlawful business practices.
3 The mediation concluded that day without a settlement being reached. While the mediation ended without
4 a settlement, negotiations continued thereafter and the mediator continued to be engaged. The Parties
5 reached a settlement and executed it on December 2, 2024.

6 20. From Class Counsel's review of the facts, strengths, and weaknesses of the case, the risks
7 and delays posed by further litigation, and Class Counsel's own prior employment and class action
8 litigation experience, Class Counsel believes that the recovery for each class member is fair and reasonable
9 taking into consideration the amounts received in other wages and hour actions, the risks inherent in
10 litigation of this genre, and the reasonable tailoring of each class member's claim to the settlement award
11 he or she will receive. The information provided to Plaintiff's expert sufficient data of time records to
12 compile its damage analysis and guide Class Counsel's assessment of the strength of the claims and
13 violations. Based on the settlement negotiations, which were extensive and conducted in good faith and
14 at arm's length between attorneys with substantial experience litigating class actions and wage and hour
15 cases, the Joint Stipulation was the product of a non-collusive settlement process in which the parties were
16 forced to make significant and meaningful compromises in the interest of reaching a full and complete
17 settlement of the lawsuit.

18 **SUMMARY OF SETTLEMENT**

19 21. The parties have executed the Joint Stipulation attached hereto and incorporated herein as
20 **Exhibit 1.** Defendant has agreed to pay \$695,000.00 (the "Gross Settlement Amount") to settle and release
21 all claims asserted by Plaintiff in the operative complaint on behalf of the proposed class.

22 22. The Class Members refer to all persons who are employed or have been employed by
23 Defendants in the State of California as hourly and/or other non-exempt employees during the Class
24 Period. The Settlement Class or "Settlement Class Members" means all Class Members other than those
25 who opt-out.

26 23. Defendant shall provide the Gross Settlement Amount to the Settlement Administrator to
27 fund the Settlement to be paid after the Court grants final approval of the Class Action. The Settlement
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1 Administrator shall complete the distribution of the Gross Settlement Amount to the Settlement Class
2 Members, the Named Plaintiff, Class Counsel, and the Settlement Administrator.

3 24. The amount remaining in the Gross Settlement Amount after the following deductions have
4 been made (called the “Net Settlement Amount”) shall be available for distribution to Class Members who
5 do not opt out:

- 6 • Up to thirty-five percent (35%) of the Gross Settlement Amount to Class Counsel for
7 attorneys’ fees (\$243,250.00) and reasonable litigation costs and expenses (capped at
8 \$20,000.00);
- 9 • Up to \$10,000.00 to the Class Representative for her services to the class;
- 10 • Settlement administration costs, not to exceed \$15,000.00; and
- 11 • PAGA Penalties in the amount of \$20,000.00, of which \$15,000.00 is payable to the
12 California Labor and Workforce Development Agency (“LWDA”) as its 75% share of the
13 settlement of civil penalties for PAGA claims.

14 Plaintiff’s damages consultant also conducted a separate analysis of qualifying workweeks for the purpose
15 of calculating *pro rata* shares of the PAGA Payment that includes the work weeks of persons who opt-
16 out. There are an estimated 202 PAGA Class Members in the PAGA Class Period.

17 25. After the deductions above have been made, the Net Settlement Amount shall be divided
18 among and distributed to individual Settlement Class Members who do not opt out, calculated by (a)
19 dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class
20 Members during the Class Period and (b) multiplying the result by each Participating Class Member’s
21 Workweeks.

22 26. Each PAGA Class Member shall receive a portion of the PAGA Payment proportionate to
23 the number of Individual Workweeks that he or she worked during the PAGA Period. Each PAGA Class
24 Member who was employed by Defendant during the PAGA Period will be issued a check for their share
25 of the PAGA Payment regardless of whether they opt-out of the Settlement and regardless of whether they
26 are currently employed by Defendant as of the Settlement’s Effective Date.

27 27. The Parties agree that the Settlement Payments will be allocated as follows: forty percent
28 (40%) to wages, for which an IRS Form W-2s shall be issued, forty percent (40%) for alleged civil and

1 statutory penalties, and twenty percent (20%) for alleged interest on unpaid wages and any other non-
2 wage related amount, if any, and will be reported as such to each Settlement Class Member on an IRS
3 Form 1099. The PAGA Payments to PAGA Members will be designated as payments for alleged penalties
4 and other non-wage amounts. The portions of the Settlement Payments allocated to penalties, interest or
5 other non-wage amounts and the PAGA Payments will be paid without tax withholdings and will be
6 reported as such to each Settlement Class Member and/or PAGA Member on an IRS Form 1099.

7 28. Individual Settlement Payments shall be mailed by regular First Class U.S. Mail to
8 Settlement Class Members' last known mailing address no later than thirty (30) days after the Effective
9 Date.

10 29. Any checks issued to Settlement Class Members shall remain valid and negotiable for one
11 hundred and twenty (150) days from the date of their issuance and shall state so on the face of the check.
12 If the check remains uncashed after 150 days, the check will be void and a stop-payment will be issued,
13 and the Settlement Administrator shall issue the unclaimed funds to the California CASA Association (see
14 <https://www.californiacasa.org>) in the name of the Class Member, unless the Court directs the Parties to
15 issue the unpaid residue to some other fund.

16 30. The Parties have agreed to a Class Representative Service Payment to Plaintiff of up to Ten
17 Thousand Dollars (\$10,000.00). The Class Representative Service Payment shall be in addition to the
18 Plaintiff's Individual Settlement Payment as a Settlement Class Member. In the event that the Court
19 reduces or does not approve the requested Class Representative Service Payment, Plaintiff shall not have
20 the right to revoke the Settlement, and it will remain binding.

21 31. The Settlement Agreement caps costs at \$20,000.00. Thus far, Class Counsel has incurred
22 the following costs: filing and service fees (\$1,229.03), mediation costs (\$8,500.00), expert costs to
23 conduct damages analysis (\$1,882.46), and other related case administration charges (\$319.78).

24 32. Plaintiff and Defendants agree that the Settlement Administrator shall mean and refer to
25 the third-party class action settlement administrator, Phoenix Class Action Settlement Administrators
26 ("Settlement Administrator"). The Settlement Administrator will provide the Notice to the Class Members
27 and distribute the settlement amounts.
28

1 33. The settlement amount was a compromise figure, factoring in the inherent risks related to
2 certification, liability, and damages. Accordingly, considering all of the circumstances of the action and
3 the defenses raised by Defendant against liability and damages, Class Counsel believes that the settlement
4 is fair and reasonable.

5 34. Within thirty (30) days after filing of the Preliminary Approval Order, or within the time
6 ordered by the court, Defendants shall provide to the SA a list of Class Members and PAGA Members
7 that identifies for each Class Member/PAGA Member, his/her Social Security number, last-known
8 address, and the workweek numbers and other Class Member data confirm qualifying Workweeks Worked
9 and PAGA Workweeks Worked or will forward the start and end date(s) of employment for the SA to
10 calculate the Workweeks Worked and PAGA Workweeks Worked. Defendants agree to consult with the
11 SA as required to provide the list in a format reasonably acceptable for the duties of the SA. The SA will
12 keep the list confidential, use it only for the purposes described herein, take adequate safeguards to protect
13 confidential or private information and return or certify the destruction of the information or continued
14 safeguarding of the information upon completion of the Settlement Administration process. The Class
15 Notice will include information on how Class Members may opt-out of or object to the Settlement and a
16 procedure by which a Class Member may challenge the number of Workweeks Worked identified on
17 his/her Class Notice. The Named Plaintiff will seek approval of language in the Class Notice in the motion
18 for preliminary approval and will seek permission for the Parties in conjunction with the SA to be able to
19 correct immaterial errors on these forms or other mailed materials without approval from the Court,
20 provided the changes do not alter the preliminary approval by the Court. Once the Court approves the
21 Class Notice, the SA will send it to each Class Member and PAGA Members by First-Class U.S. Mail.

22 35. The settlement includes a release of all Released Claims during the Class and PAGA Period
23 by Settlement Class Members employed at any time during the Class and PAGA Period. The September
24 27, 2019 start date of the Class Period was chosen as four years prior to filing of the first class action
25 complaint. The Parties have agreed that the Class Period ends on the date of Preliminary Approval. The
26 September 26, 2022 start date of the PAGA Period was chosen as one year prior to the Plaintiff's
27 submission of the claims to the LWDA.

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THE STRENGTH OF PLAINTIFF'S CASE
IN LIGHT OF THE SETTLEMENT AMOUNT

36. Because the class consists of numerous employees, it was unlikely that the potential monetary claims of individual Class Members would have proved viable without the class-action mechanism. The Joint Stipulation should, thus, be approved in light of two California appellate decisions: *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

37. California courts have unequivocally stated that the “most important factor [in determining whether a settlement is fair and reasonable] is the strength of the case for Plaintiff on the merits, balanced against the amount offered in settlement.” *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiff alleges that Defendant underpaid their employees, failed to provide required rest periods, failed to reimburse for work-related expenses, failed to maintain required records, and failed to furnish accurate, itemized wage statements, all in violation of California law. Additionally, Plaintiff alleges that, as a consequence of those violations, Defendant also failed to pay overtime wages and minimum wages, failed to timely pay wages, and failed to pay all wages due to discharged and quitting employees. Plaintiff alleges related violations of California’s Business and Professions Code and PAGA Representative Action or Labor Code §§ 2698-2699.5. The merits of Plaintiff’s claims is addressed below.

Claim Alleging a Failure to Provide Required Meal Periods

38. Plaintiff alleges that Defendant failed to provide Plaintiff and class members with meal periods, as required under Cal. Lab. Code §§ 226.7, 512, and IWC Wage Order 9-2001. Pursuant to California law, “No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes.” Cal. Lab. Code §512(a); IWC Wage Order 9-2001 §11(A). Furthermore, for the 30-minute meal period, the employee must be free of all duties. *Id.* If the employee is not relieved of all duty during the meal period, then the meal period shall be considered an “on-duty” meal period and counted as time worked. *Id.* Additionally, “[i]f an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall

1 pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday
2 that the meal period is not provided." IWC Wage Order 9-2001, §11(D).

3 39. After evaluating the information provided to Class Counsel by Defendant, including
4 reviewing and analyzing time records provided for the putative Class Members, the information provided
5 by Defendant disclosed numerous potential violations.

6 40. Defendant denies Plaintiff's allegations and contends that it complied with all meal period
7 laws. If Defendant's contentions are proven true and prevail in trial, the likely outcome of this claim would
8 be no recovery for class members.

9 41. Class Counsel calculated that Defendant's maximum total exposure on the failure to
10 provide required meal periods claim at approximately \$721,303.00. This estimate assumes a 20% violation
11 rate for each and every shift worked by class members throughout the class period. Class Counsel retained
12 a damages expert to look through the documentation that was available to Class Counsel from the formal
13 and informal discovery that occurred in this case. Based on an analysis of the documents that were
14 provided, Class Counsel estimated a maximum of approximately 29,598 meal break violations occurred
15 during the Class Period. In light of the foregoing analysis however, Class Counsel took into consideration,
16 when assessing damages under this cause of action, the chances of prevailing on the merits and applied
17 appropriate discounts. Defendants denied Plaintiff's allegations and calculations.

18 **Claim Alleging a Failure to Provide Required Rest Periods**

19 42. Plaintiff alleged that Defendant failed to provide all employees with the rest periods, as
20 required under Cal. Lab. Code §§226.7 and 512, and IWC Wage Orders. Under California law, every
21 employer is required to provide employees with rest periods, at the rate of a "ten (10) minutes net rest
22 time per four (4) hours [worked] or major fraction thereof." IWC Wage Order 9-2001 §12(A). Thus,
23 employers must provide employees with a ten-minute rest break for every four hours, or major fraction
24 thereof, that an employee worked. Likewise, employers must provide employees a *second* ten-minute
25 rest-period for each additional 4 hours worked, or major fraction thereof. *Id.* If an employer fails to
26 provide an employee with a required rest period, then the employee is entitled to one additional hour of
27 compensation at the employee's regular rate of pay for each workday that a rest period was not provided.
28 Cal. Lab. Code §226.7(c).

1 43. Plaintiff alleges that Defendant did not provide Class Members with all legally required
2 rest periods. Defendant's alleged violation of the rest period law would trigger consequent liability under
3 Cal. Lab. Code Section 226.7 because Defendant failed to pay Plaintiff and Class Members who were not
4 provided with a statutorily required rest period one additional hour of compensation at each employee's
5 regular rate of pay for each workday that a rest period was not provided.

6 44. Defendant denied Plaintiff's allegations. Defendant's position is that it complied with rest
7 period law and its policies include provisions in compliance with California law. If Defendant's
8 contentions are proven true and prevail in trial, the likely outcome of this claim would be no recovery for
9 class members.

10 45. Class Counsel calculated that Defendant's maximum total exposure on the failure to
11 provide required rest periods claim at \$721,303. This estimate assumes a 20% violation rate for each and
12 every shift worked by class members throughout the class period. Class Counsel retained a damages
13 expert to look through the documentation that was available to Class Counsel from the formal and informal
14 discovery that occurred in this case. Based on an analysis of the documents that were provided, Class
15 Counsel estimated a maximum potential of approximately 29,598 rest break violations during the Class
16 Period. In light of the foregoing analysis, however, Class Counsel took into consideration, when assessing
17 damages under this cause of action, the chances of prevailing on the merits and applied appropriate
18 discounts. Defendant denied Plaintiff's allegations and calculations.

19 **Claims Alleging Failure to Pay Overtime and Minimum Wages**

20 46. Plaintiff alleged that Defendant failed to pay Plaintiff and other class members' minimum
21 wages and overtime premium wages for all hours worked as a result of a variety of Defendant's company
22 policies and practices, including its policy and practice of rounding hours worked and its policy and
23 practice of auto-deducting "meal period" time from Plaintiff and other class members' daily hours worked
24 regardless of whether a legally compliant meal period was provided. Accordingly, due to Defendant's
25 policies and practices, Plaintiff and other class members were underpaid for some hours, not paid any
26 wages whatsoever for other hours, and not paid minimum wages for all hours worked or overtime wages
27 premium wages for all overtime hours worked.

28 47. Defendant denies Plaintiff's allegations and contends that it complied with all applicable

1 minimum wage laws and regulations and all applicable overtime laws. If Defendant's contentions are
2 proven true and prevail in trial, the likely outcome of this claim would be no recovery for the class
3 members.

4 48. Class Counsel retained a damages expert to look through the documentation that was
5 available to Class Counsel from the formal and informal discovery that occurred in this case. Based on an
6 analysis of the documents that were provided, Class Counsel estimated Defendant's maximum total
7 exposure for failure to pay overtime premium wages at approximately \$27,777. This estimate assumes an
8 average of 3 hours of unpaid overtime and 1 hour of unpaid double time per pay period worked by class
9 members throughout the class period.

10 49. Based on an analysis of the documents that were provided, Class Counsel estimated
11 Defendant's maximum total exposure for failure to pay minimum wages at approximately \$435,793. This
12 estimate assumes a weighted average minimum wage of \$14.47/hour.

13 50. In light of the foregoing analysis, however, Class Counsel took into consideration, when
14 assessing damages under these causes of action, the chances of prevailing on the merits and applied
15 appropriate discounts. Defendant denied Plaintiff's allegations and calculations.

16 **Claim Alleging Failure to Pay Timely Wages During Employment**

17 51. Pursuant to California Labor Code Section 204, for all labor performed between the 1st
18 and 15th days of any calendar month, Defendant is required to pay its employees between the 16th and
19 26th day of the month during which labor was performed. California Labor Code Section 204 also
20 provides that for all labor performed between the 16th and 26th days of any calendar month, Defendant is
21 required to pay their employees between the 1st and 15th day of the following calendar month. In addition,
22 California Labor Code Section 204 provides that all wages earned for labor in excess of the normal work
23 period shall be paid no later than the payday of the next regular payroll period.

24 52. Plaintiff alleged that, during the relevant period, Defendant knowingly and willfully failed
25 to pay Plaintiff and class members all wages that they earned when due, as required by California Labor
26 Code Section 204. Accordingly, pursuant to California Labor Code Section 210, failure to pay wages of
27 each employee as provided in California Labor Code Section 204 triggers penalties of: (1) one hundred
28 dollars (\$100.00) for each failure to pay each employee for each initial violation; and (2) two hundred

1 dollars (\$200.00) for each failure to pay each employee, plus twenty-five percent (25%) of the amount
2 unlawfully withheld, for each subsequent violation.

3 53. Furthermore, during the relevant period, Defendants have systematically and knowingly
4 failed to timely pay agreed-to or contract wages to Plaintiff and members of the putative class in violation
5 of California Labor Code sections 200-244.

6 54. Pursuant to California Labor Code section 204, employers are required to pay wages at
7 regular intervals, including hourly, salary, commission, and piece-rate wages, as agreed upon in
8 employment contracts or agreements. Despite the existence of clear and enforceable agreements
9 specifying wages, bonuses, commissions, and other compensation, Defendants have routinely delayed
10 payment beyond the agreed-upon terms. This deliberate and unlawful conduct has resulted in financial
11 hardship and harm to Plaintiff and the putative class, constituting violations of both contractual obligations
12 and statutory requirements under California law.

13 55. Defendant denies Plaintiff's allegations and contends that it complied with all laws
14 regulating the timely payment of wages for employees. If Defendant's contentions are proven true and
15 prevail in trial, the likely outcome of this claim would be no recovery for the class members.

16 **Claim Alleging Failure to Pay All Wages Due to Discharged and Quitting Employees**

17 56. Labor Code Section 203 provides that if an employer willfully fails to pay an employee all
18 wages due at termination or within 72 hours of resignation, then that employee's wages shall continue as
19 a penalty until paid for a period of up to thirty (30) days from the date they were due. Because class
20 members stopped working for Defendant but again were not paid their full compensation for the reasons
21 discussed above, class members did not receive all wages due upon termination of employment.

22 57. Defendant argued that, under Labor Code Section 203, employers are only obligated to pay
23 waiting time penalties if they "willfully" fail to pay wages due and owing at the time of termination or
24 resignation. As Title 8, California Code of Regulations, Section 13520 states:

25 A willful failure to pay wages within the meaning of Labor Code Section 203 occurs
26 when an employer intentionally fails to pay wages to an employee when those wages are
27 due. However, a good faith dispute that any wages are due will preclude imposition of
waiting time penalties under Section 203.

28 A "good faith dispute" that any wages are due occurs when an employer presents a
defense, based in law or fact, which, if successful, would preclude any recovery on the

1 part of the employee. The fact that a defense is ultimately unsuccessful will not preclude
2 a finding that a good faith dispute did exist. Defenses presented which, under all the
3 circumstances, are unsupported by any evidence, are unreasonable, or are presented in
bad faith, will preclude a finding of a “good faith dispute.”

4 58. Moreover, during the relevant period, Defendants have systematically and knowingly
5 failed to pay agreed-to or contract wages to Plaintiff and members of the putative class upon discharge or
6 resignation, in violation of California Labor Code sections 200-244. Pursuant to California Labor Code
7 sections 201 and 202, employers are required to promptly pay all wages due to discharged or resigning
8 employees at the time of termination or resignation, including wages, bonuses, commissions, and accrued
9 vacation or other benefits as specified in employment contracts or agreements. Despite the existence of
10 enforceable agreements delineating these compensation terms, Defendants have consistently failed to
11 fulfill their legal obligations, resulting in financial hardship and harm to Plaintiff and the putative class.

12 59. Defendant maintains that because it had viable defenses in both law and fact, waiting time
13 penalties cannot be awarded and, in any case, such penalties are subject to a three (3)-year limitations
14 period under Labor Code Section 203(b). If Defendant’s contentions are proven true and prevail in trial,
15 the likely outcome of this claim would be either no recovery for the class members, or a significantly
16 reduced recovery.

17 60. Class Counsel retained a damages expert to look through the documentation that was
18 available to Class Counsel from the formal and informal discovery that occurred in this case. Based on an
19 analysis of the documents that were provided, Class Counsel estimated Defendant’s maximum total
20 exposure for waiting time penalties at \$1,056,439.50 based on an estimated 170 Class Members who
21 separated from their employment with Defendant between September 27, 2019 through the date of
22 mediation. In light of the foregoing analysis, however, Class Counsel took into consideration, when
23 assessing damages under this cause of action, the chances of prevailing on the derivative causes of action,
24 as well as the additional hurdles of prevailing under this cause of action, and applied the appropriate
25 discounts. In particular, Plaintiff would have to prove that Defendant’s actions were “willful” under the
26 meaning of Labor Code Section 203 to recover this substantial penalty. Defendant denied Plaintiff’s
27 allegations and calculations.

28 ///

1 **Claim Alleging Failure to Maintain Required Records**

2 61. Under California law, specifically California Labor Code Sections 226, 1174 and IWC
3 Wage Orders, employers are required to maintain records for all employees, including, but not limited to,
4 the following records: total daily hours worked by each employee, applicable rates of pay, all deductions,
5 meal periods, time records showing when each employee begins and ends each work period, and accurate
6 itemized statements.

7 62. Plaintiff allege that Defendant intentionally and willfully failed to maintain these required
8 records.

9 63. Defendant denies Plaintiff's allegations and contends that it maintained all required records
10 in accordance with California law. If Defendant's contentions are proven true and prevail in trial, the
11 likely outcome of this claim would be no recovery for the class members.

12 **Claim Alleging Failure to Furnish Accurate Itemized Wage Statements**

13 64. Plaintiff also alleged a cause of action under Labor Code Section 226(a). That section states
14 that an employer must provide an accurate itemized wage statement twice a month or each time wages are
15 paid, whichever is more frequent. Pursuant to Section 226(a), a compliant wage statement must include
16 nine (9) specifically enumerated pieces of information. Failure of an employer to provide complete
17 information as required by any one or more of these items will trigger liability for the employer. Cal. Lab.
18 Code § 226(e)(2)(B).

19 65. An employers' failure to comply with the specific requirements of Section 226(a) entitles
20 employees to recover the greater of all actual damages or fifty dollars (\$50.00) for the initial pay period
21 in which a violation occurs and one hundred dollars (\$100.00) for each violation in a subsequent pay
22 period, not exceeding an aggregate penalty of four thousand dollars (\$4,000.00). Cal. Lab. Code § 226(e).

23 66. Defendant contends that Labor Code Section 226(e) penalties are not automatic. Rather,
24 the employee must show (1) that he or she "suffered injury" from the employer's failure to provide
25 compliant wage statements, *see Elliot v. Spherion Pacific Work, LLC* (2008) 572 F.Supp.2d 1169, 1181
26 (applying California law) (holding employee was not entitled to penalties because no injury was shown),
27 and (2) Defendant's noncompliance was "knowing and intentional." Finally, because the damages for this
28 cause of action are penalties, the statute of limitations only runs from one (1) year prior to the filing of the

1 original complaint. *See* Cal. Code Civ. Proc. § 340.

2 67. Plaintiff argued that the paystubs were facially defective because they failed to provide
3 timely, accurate, and itemized wage statements in writing showing each employee's gross wages earned,
4 total hours worked, all deductions made, net wages earned, the name and address of the employing legal
5 entity and all applicable hourly rates in effect during each pay period and the corresponding number of
6 hours worked at each hourly rate.

7 68. If Defendant's contentions are proven true and Defendant prevails at trial, the likely
8 outcome of this claim would be no recovery for the class members.

9 69. Class Counsel estimated Defendant's maximum exposure on this claim at \$603,600.00.
10 Plaintiff and an estimated 201 other Class Members worked for Defendant for a total of 6,137 pay periods
11 during the Labor Code Section 226(e) penalty period, accruing on average \$100.00 in violations per pay
12 period. Defendant denied Plaintiff's allegations and calculations.

13 **Claim Alleging Failure to Reimburse Business Expense**

14 70. Plaintiff also alleged a cause of action under California Labor Code Section 2802, which
15 requires an employer to indemnify its employees for all necessary expenditures or losses incurred in direct
16 consequence of the discharge of their duties. Specifically, Labor Code § 2802(a) states that an employer
17 must reimburse an employee for "all necessary expenditures or losses incurred by the employee in direct
18 consequence of the discharge of his or her duties."

19 71. The statute is designed to prevent employers from shifting business expenses onto
20 employees. Employers are required to reimburse employees for any reasonable and necessary expenses,
21 including expenses related to the use of personal devices for work purposes. *See Cochran v. Schwan's*
22 *Home Serv., Inc.* (2014) 228 Cal.App.4th 1137, 1144 (holding that employers must reimburse employees
23 for work-related use of personal cell phones, even if the employee did not incur an extra charge).

24 72. Plaintiff contended that Defendant failed to reimburse necessary business expenses by
25 requiring employees to use their personal phones for work-related tasks without compensation.
26 Specifically, Plaintiff asserted that she was required to use her personal cell phone for work purposes,
27 including communicating with employees, without reimbursement.

1 73. Defendant argued that Plaintiff's claims under Labor Code § 2802 is barred, in whole or in
2 part, because at all relevant times, Defendant reimbursed Plaintiff for the reasonable costs of expenses
3 incurred in the discharge of Plaintiff's duties and/or did not otherwise require Plaintiff to bear such costs.

4 74. If Defendant's contentions are proven true and Defendant prevails at trial, the likely
5 outcome of this claim would be no recovery for the Class Members.

6 75. Based on an analysis of the documents that were provided, Class Counsel estimated
7 Defendant's maximum total exposure for failure to business expense at approximately \$164,435.00. This
8 estimate assumes Plaintiff and Class Members incurred \$5 per workweek as unreimbursed expenses.
9 Defendant denied Plaintiff's allegations and calculations.

10 **Claim Alleging Unfair Business Practices**

11 76. Plaintiff pleaded this cause of action in order to augment his other causes of action and aid
12 in their prosecution. Business and Professions Code Section 17208 extends the statute of limitations on
13 Plaintiff's wage claims, which qualify as unfair business practices, to four (4) years rather than the three
14 (3) years provided by statute.

15 77. Defendants have engaged in unfair and unlawful business practices by systematically and
16 knowingly failing to pay agreed-to or contract wages to Plaintiff and members of the putative class, in
17 violation of California Labor Code sections 200-244 and Bus & Prof. Code §17200, et seq.

18 78. Pursuant to California Labor Code sections 204, 218.5, and others, employers are required
19 to pay all wages due to employees as agreed upon in employment contracts or agreements, including
20 wages, bonuses, commissions, and other compensation. Despite the existence of clear and enforceable
21 agreements delineating these compensation terms, Defendants have consistently disregarded their legal
22 obligations, causing financial hardship and harm to Plaintiff and the putative class members. This conduct
23 not only constitutes breaches of contractual obligations but also violates the unfair competition provisions
24 under California Business and Professions Code section 17200.

25 **Alleged PAGA Penalties**

26 79. The Labor Code Private Attorneys General Act ("PAGA"), codified at Labor Code Section
27 2699 *et seq.*, allows Plaintiff to obtain civil penalties on behalf of themselves and other class members
28 for Defendant's violation of any provision of the Labor Code enumerated by Labor Code Section 2699.5.

Where civil penalties are provided for in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code Section 2699(f) establishes civil penalties of one hundred dollars (\$100.00) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200.00) for each aggrieved employee per pay period for each subsequent violation. Cal. Lab. Code § 2699(f)(2). Pursuant to Labor Code Section 2699(i), seventy-five (75) percent of the penalties recovered must be allocated to the Labor and Workforce Development Agency (“LWDA”), with the remaining twenty-five (25) percent allocated to the affected employees. The limitations period for all PAGA penalties is one (1) year prior to the filing of the operative complaint. Defendant’s alleged violations of, *inter alia*, Labor Code Sections 203, 226(a), 226.7, 510 and 1194 all give rise to potential PAGA penalties under Section 2699.

80. Defendants have violated California Labor Code sections 200-244 by systematically and knowingly failing to pay agreed-to or contract wages to Plaintiff and members of the putative class. Pursuant to California Labor Code sections 2698-2699.5, also known as the Private Attorneys General Act (PAGA), employees may bring representative actions on behalf of themselves and other aggrieved employees for violations of the Labor Code, including failure to pay wages as agreed upon in employment contracts or agreements. Despite the existence of enforceable agreements delineating wages, bonuses, commissions, and other compensation terms, Defendants have consistently disregarded their legal obligations, causing financial harm to Plaintiff and the putative class members.

81. PAGA penalties are not mandatory, but permissive. Labor Code Section 2699(e)(2) states that “a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” *See also Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision).

82. PAGA penalties are also derivative of Plaintiff’s substantive claims, and accordingly, Plaintiff’s PAGA claims are subject to the same defenses as the underlying claims on which they are based. Finally, following the analysis set forth in *Amaral v. Cintas Corp.* (2008) 163 Cal. App. 4th 1157, it could be argued that PAGA penalties only may be awarded at the rates obtainable for initial violations

under the applicable statutes, because Defendant was not notified of the alleged violations. *Id.* at 1208-1209.

83. Based on an estimated 202 PAGA Class Members working a total of 6,137 pay periods during the PAGA Period, and conservatively assuming one (1) PAGA-eligible violation is approved by the Court, Class Counsel's damages expert estimated Defendant's maximum total exposure for PAGA penalties at approximately \$613,700.00.

84. After calculating estimated exposure for PAGA penalties, Class Counsel then applied discounts in light of the countervailing arguments with regards to each cause of action, and in light of the Court's power to award a "lesser amount than the maximum civil liability." Based on the totality of that analysis, Class Counsel believes that the contemplated PAGA payment of \$20,000.00 is fair, reasonable and appropriate. Defendant denied Plaintiff's PAGA allegations and estimated penalty calculations.

Summary

85. The foregoing discussion has sought to explain how the settlement amount is adequate in light of the merits of Plaintiff's case, taking into account the legal basis for each of Plaintiff's causes of action, the evidence that Class Counsel gathered in support of those causes of action, and Defendant's legal and factual arguments that worked to derogate from the strength of Plaintiff's case.

86. Class Counsel had to apply appropriate discounts in light of the facts and law as discussed above. Defendant argued several defenses, including that Defendant was complying with all applicable laws, and therefore was not liable to Plaintiff and the class at all. This settlement, like most others, was the product of compromise. Because of these and other risks, a recovery of \$695,000.00 under the Joint Stipulation is an excellent result. The proposed settlement before the Court amounts to approximately 16% of Defendant's maximum estimated damage exposure for the asserted claims.

THE RISKS, EXPENSE, AND LIKELY DURATION OF FURTHER LITIGATION, AS WELL AS THE RISK OF MAINTAINING CLASS ACTION STATUS THROUGH TRIAL

87. The next *Clark/Kullar* recognized factor in determining whether or not a class action settlement is fair and reasonable takes into consideration the "risks and expenses of attempting to establish and collect on [Plaintiff's] claims by pursuing litigation." *Clark v. American Residential Services, LLC*

1 (2009) 175 Cal. App. 4th 785, 800. Specifically, courts should keep in mind the risks and expenses posed
2 by further litigation, especially in the class-action context, and the risk of non-certification (and
3 decertification), where determining the adequacy of class action settlements.

4 88. Further litigation of this case posed real risks for a number of reasons. First, there were the
5 risks of unfavorable rulings on the merits of the various indeterminate legal issues outlined in the previous
6 section. Almost every cause of action at issue was subject to some unique indeterminacy of its own, and
7 the derivative causes of action were thus subject to a double indeterminacy, both their own and those of
8 the causes of action on which they were based.

9 89. Class Counsel maintained that there were several legal and factual questions at issue in the
10 case that could best be decided on a class wide basis. Class Counsel contended that the same relevant
11 policies and practices applied to all class members and therefore common questions obtained and were
12 likely to predominate over individual inquiries. Defendant disputed these contentions and insisted that the
13 *Brinker* decision called into question the certifiability of cases such as this one. Defendant also argued
14 that its policies were compliant with the law, while Plaintiff disputed that the policies were lawful, and
15 argued the lawfulness of such policies would give rise to common questions amenable to certification.
16 Thus, the parties had set positions on the propriety of certifiability and liability that did not admit of an
17 easy resolution.

18 90. Finally, it is always preferable to reach a relatively early resolution of a dispute because,
19 in addition to what has already been said, such resolutions save time and money that would otherwise go
20 to litigation. Most cases settle sooner or later. If this case ended up settling after further litigation, the
21 settlement amount would have taken into account the additional costs incurred, and there might have been
22 less available for class members. This is not just an abstract contention. The parties were moving into the
23 phase of this litigation where they would have had to conduct further formal discovery and investigation
24 to establish liability for trial. Discovery disputes would have been in the offing. The parties were also
25 aware that a class action trial would be a complicated and expensive proceeding, and then there was the
26 likelihood of a long, drawn-out appeals process. In contrast, the settlement provides real benefits for class
27 members in the immediate future. The benefits are not insignificant for anyone, especially given the
28

1 current economic climate. Consequently, the risk and expense of further litigation outweighed any benefit
2 that might have been gained otherwise.

3 **NOTICE TO AND REACTION OF CLASS MEMBERS**
4 **TO THE PROPOSED SETTLEMENT**

5 91. It is premature to address this factor now, at the preliminary approval stage; however, some
6 observations are in order. First, the notification procedure set forth in the Joint Stipulation provides the
7 greatest likelihood that each and every class member will receive the Class Notice (the “Notice”), attached
8 to the Joint Stipulation as **Exhibit A**. Under the Joint Stipulation, the Settlement Administrator, within
9 fourteen (14) days of receiving the Class List and Data from Defendant, will mail the Notice to the
10 Settlement Class Members, by First Class United States mail, in both English and Spanish.

11 92. The Settlement Administrator shall use standard devices, including a skip trace, to obtain
12 forwarding addresses of any Settlement Class Member, if any envelopes with Notices are returned. The
13 Settlement Administrator will take reasonable steps to ensure that the Notice is sent to all Settlement Class
14 Members and for any returned notices, the Settlement Administrator will re-mail a new Notice to any
15 Class Member for whom an updated address is located. If no forwarding address is provided, the
16 Settlement Administrator shall promptly attempt to determine a correct address by lawful use of skip-
17 tracing or other searching using the name, address and/or Social Security number of the Settlement Class
18 Member involved, and shall then perform a re-mailing, if another mailing address is identified by the
19 Settlement Administrator. Most, if not all, class members thus are likely to receive the Notice Packet.

20 93. The Notice itself fully apprises class members of the nature of the lawsuit, the claims
21 involved, the terms of the settlement, and their options and rights thereunder. The Notice provides a
22 specific procedure for seeking exclusion from the Class and for lodging objections to the settlement. In
23 the Notice, class members also will receive Class Counsel’s contact information, so that Class Members
24 can speak to attorneys conversant with the legal and factual issues involved in this case. These efforts will
25 be taken to ensure that class members receive the Class Notice and are well informed about the settlement,
26 and to enable a favorable response rate.

27 94. All class members will benefit because defendants who have been sued are generally more
28 likely to comply with the law in the future. Settlement Class Members will have the opportunity, should

1 they disagree with their number of individual Qualifying Workweeks and/or the date of their separation
2 from Defendant's employment stated in their individualized Notice, to provide documentation and/or an
3 explanation to show contrary Qualifying Workweeks and/or a corrected date of separation from
4 Defendant's employment. If there is a dispute, the Settlement Administrator will consult with the Parties
5 to determine whether an adjustment is warranted, and Defendant shall provide any documentation it has
6 to support its position. The Settlement Administrator shall determine the eligibility for, and the amounts
7 of, any Individual Settlement Payments and/or PAGA Payments, and the Settlement Administrator's
8 determination as to these issues shall be binding upon the Settlement Class Member and the Parties. Any
9 disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will
10 be resolved by the Court under the laws of the State of California. Prior to any such involvement of the
11 Court, counsel for the Parties will confer in good faith to attempt to resolve the disputes without the
12 necessity of involving the Court.

13 95. Class Members who wish to exclude themselves from this Settlement must submit a written
14 Request for Exclusion to the Settlement Administrator within sixty (60) days after the date the Notice was
15 postmarked (the "Exclusion Period"). The Settlement Administrator shall use standard devices, including
16 a skip trace, to obtain forwarding addresses of any Settlement Class Member, if any envelopes with
17 Notices are returned. The Settlement Administrator will take reasonable steps to ensure that the Notice is
18 sent to all Settlement Class Members and for any returned notices, the Settlement Administrator will re-
19 mail a new Notice to any Class Member for whom an updated address is located. If no forwarding address
20 is provided, the Settlement Administrator shall promptly attempt to determine a correct address by lawful
21 use of skip-tracing, or other search using the name, address and/or Social Security number of the
22 Settlement Class Member involved, and shall then perform a re-mailing, if another mailing address is
23 identified by the Settlement Administrator. In the event that another mailing address is identified, the
24 Settlement Administrator shall re-mail a new copy of the Notice within five (5) calendar days of the date
25 a Notice is returned as undeliverable. With the exception of PAGA Class Members, who will receive
26 their share of the PAGA Payment and be bound by the Joint Stipulation's release of any and all claims
27 under the PAGA regardless of their opt-out status, any Settlement Class Member who timely requests
28 exclusion will not be entitled to any recovery under the settlement and will not be bound by the terms of

1 the settlement or have any right to object, appeal or comment thereon. Any written request to opt-out must
2 be signed by each such person opting out. All Class Members who do not timely and properly notify the
3 Claims Administrator of their desire to opt-out of the Settlement shall become bound by all determinations
4 of the Court, the Stipulation and Judgment.

5 96. The Notice shall state that Settlement Class Members who wish to object to the Settlement
6 must mail, fax or email their written statement of objection to the Settlement Administrator (“Opt-Out
7 Request or “Objection”) by the Exclusion Period. The date on the proof of service or time stamp shall be
8 deemed the exclusive means for determining that an Opt-Out Request was served timely. The Opt-Out
9 Request must be signed by the Settlement Class Member and include full name of the Settlement Class
10 Member; the dates of employment of the Settlement Class Member; a clear and concise statement of the
11 basis for each specific objection and any accompanying legal support therefor; and whether the Settlement
12 Class Member intends to appear at the Final Approval/Settlement Fairness Hearing. The Settlement
13 Administrator will reach out to any objector who has failed to include the required information and give
14 them a chance to provide the information needed to perfect their objection. Settlement Class Members
15 who submit a timely Opt-Out Request prior to the Exclusion Period will have a right to appear at the Final
16 Approval/Settlement Fairness Hearing in order to have their objections heard by the Court. The Court
17 will hear from any Class Member who attends the Final Approval Hearing and asks to speak regarding
18 his or her objection without the need to file a written objection or notice of appearance. Written objections
19 will not be presumptively invalidated if the objections do not comply with all requirements, other than
20 timeliness. At no time shall any of the Parties or their counsel seek to solicit Settlement Class Members
21 to file or serve written objections to the Settlement or appeal from the Order and Final Judgment.
22 Settlement Class Members who submit a Request for Exclusion are not entitled to object to the Settlement.

23 **CONCLUSION OF THE CLARK/KULLAR ANALYSIS**

24 97. The foregoing discussion has sought to determine the fairness of the class action settlement
25 in the instant case. It has done this by analyzing the settlement in light of the appellate decisions in *Clark*
26 and *Kullar*. This analysis has concluded that the settlement is fair, reasonable, and adequate. Class Counsel
27 conducted a thorough investigation of the subject wage-and-hour practices and engaged in non-collusive,
28 arm’s-length negotiations in order to reach a settlement. Defendant has agreed to pay fair value to settle

1 Plaintiff's claims given the existence of legal uncertainty of Plaintiff's claims, and the Defendant's initial
2 belief that they were in complete compliance with the law. From Class Counsel's substantial experience
3 with wage-and-hour class action lawsuits, Class Counsel believes that this case could not have settled on
4 better terms under the circumstances. Request therefore is made that the settlement be granted preliminary
5 approval so that those persons whom it was intended to benefit shall be afforded the opportunity to
6 determine its adequacy for themselves.

7 **REQUEST FOR ATTORNEYS' FEES**

8 98. The settlement calls for the payment of up to thirty-five percent (35%) of the Maximum
9 Settlement Amount for attorneys' fees (\$243,250.00). This request is fair, reasonable, and adequate to
10 compensate Class Counsel for the substantial work they have put into this case and, moreover, the risk
11 they assumed by taking it in the first place. The attorneys' fees award is intended to reimburse Class
12 Counsel for all uncompensated work that they already have done and for all the work they will continue
13 to do in carrying out and overseeing the notification to class members, communicating with class members
14 regarding their claims, and assisting in the administration of the settlement if it is preliminarily approved.

15 99. My firm and I took this case on a contingent-fee basis against a business represented by a
16 reputable defense firm. When we take contingent cases, we must pay careful attention to the economics
17 involved or one bad case can destroy years of work. Accordingly, when we take contingency cases, we
18 anticipate that we shall, if successful, receive a fee that exceeds our normal hourly rate; otherwise, the risk
19 is often too great to bear. Even when we work long hours, the number of hours in a day is limited. Because
20 of this, when we take on one particular matter, we are unable to take on other matters. When Class Counsel
21 became involved in this case, we realized the time commitment that it would entail, and we were forced
22 to turn down matters that we otherwise should have been able to handle. In sum, this case claimed a
23 significant portion of Class Counsel's time and attention throughout its pendency.

24 100. The requested fee is reasonable for the services provided to class members and for the
25 benefits they are to receive. Indeed, even with a modest multiplier under the lodestar theory, *see Bihun v.*
26 *AT&T Information System* (1993) 13 Cal.App.4th 976, 997, Class Counsel's fees would still be justified.
27 Class Counsel will more fully brief the Court on its lodestar in the motion for final approval, if necessary.
28

**CLASS REPRESENTATIVE SERVICE PAYMENTS TO PLAINTIFF AS THE
CLASS REPRESENTATIVES**

101. Plaintiff herein is entitled to a reasonable service payment for their effort and initiative in bringing and helping to prosecute this action. Plaintiff spent a considerable amount of time better apprising herself of her rights, deciding whether remedial action should be taken and how it should be taken, searching for attorneys, and finally contacting Class Counsel, who spent many hours with Plaintiff discussing this case and the applicable law. In the end, Plaintiff decided to vindicate not only her own rights but also those of their co-workers by filing a class action lawsuit.

102. The courage it took to stand up to Defendant in this way should not be underestimated. By suing Defendant, Plaintiff increased her risk of retaliation by prospective employers. Plaintiff's lawsuit has now cost Defendant considerable resources, and Plaintiff contends such conduct will not be lost on a prospective employer who has to choose between an applicant who has never sued a prior employer and one who has. Plaintiff contends this risk is particularly real in the information age, where employers can more easily than ever perform background checks of prospective employees, sometimes with the stroke of a key.

103. Plaintiff did not allow her fears of the potential repercussions of being a class representative deter her from acting for the benefit of Class Members. To the contrary, Plaintiff has been intimately involved in this case since its inception. She has devoted a substantial amount of time to helping Class Counsel effectively develop and prosecute this action at every stage of the litigation. Both before and after the filing of this lawsuit, Plaintiff conferred with Class Counsel on numerous occasions to discuss every aspect of this case, provided Class Counsel with information about Defendant and about the industry generally, reviewed documents, identified witnesses, consulted Class Counsel throughout the litigation repeatedly and at length, participated in the mediation process, monitored the progress of the litigation with Class Counsel, and reviewed and signed the Joint Stipulation.

104. Plaintiff has spent a significant amount of time with Class Counsel detailing her knowledge of Defendants' practices and helping Class Counsel with the prosecution of this action. She has diligently, adequately, and fairly represented class members, and has not placed her interests above any member of the putative class. The service payment to Plaintiff is intended to recognize their time and effort on behalf

1 of the class. The amount requested is fair and appropriate based on their contribution to and involvement
2 in this action. For example, Plaintiff instigated the lawsuit by bringing these violations to the attention of
3 Class Counsel. She spent several hours answering questions and providing information to Class Counsel
4 throughout the pendency of this action. Plaintiff identified witnesses, explained to Class Counsel
5 Defendant's day-to-day business practices, etc. The parties are in agreement that Plaintiff is entitled to a
6 class representative incentive award for her time and effort in this matter. This sort of payment to a class
7 representative has been a common feature of settlements negotiated by Class Counsel and has been
8 routinely approved by trial courts.

9 105. In light of the foregoing, Class Counsel believes that the Class Representative Service
10 Payment in the amount of \$10,000.00 for Plaintiff is fair and reasonable. This amount is orders of
11 magnitude lower than the \$50,000.00 in class representative incentive awards to the two named Plaintiff
12 approved by the trial court in *Clark*. See *Clark, supra*, 175 Cal.App.4th at 807. Although Class Counsel
13 appreciate that the Court has a duty to ensure that class representatives are not overcompensated at the
14 expense of the class, modest incentive awards in employment class actions, such as the one here, are
15 necessary not only to compensate class representatives for the time they spend in the case, but also, and
16 more importantly, to encourage aggrieved employees to challenge questionable employment practices
17 notwithstanding the very real consequences they may face.

18 **CRITERIA SATISFIED FOR CERTIFICATION OF A SETTLEMENT CLASS**

19 106. The proposed class satisfies the criteria for certification of a settlement class under
20 California law, as embodied in California Code of Civil Procedure Section 382. Defendant has agreed to
21 the certification of the class for settlement purposes only. In general, courts may take a proposed settlement
22 into account in evaluating the propriety of class certification. See *Dunk v. Ford Motor Co.* (1996) 48 Cal.
23 App. 4th 1794, 1807 fn. 19. Indeed, a "lesser standard" of scrutiny applies in certifying classes for
24 settlement purposes. *Id.* Therefore, the Court should take into consideration the fact that the parties have
25 settled their claims and stipulated to certification for settlement purposes when assessing typicality and
26 adequacy.

27 a. Numerosity. The putative class is so numerous that joinder of all members is impractical.
28 The class is defined as all current and former employees of Defendant who are employed or have been

1 employed as an hourly, non-exempt employee by Defendant in the State of California during the Class
2 Period. There are an estimated 349 persons fitting this definition. Thus, there are a sufficient number of
3 class members to warrant certifying this as a class action for settlement purposes. The number of Class
4 Members was determined by reference to the records and documents produced by Defendant.

5 b. Ascertainability. The putative class is defined in a manner that is precise, objective, and
6 ascertainable. It consists of all current and former employees of Defendant who were classified as hourly,
7 non-exempt employees in the State of California from September 27, 2019 through the date of Preliminary
8 Approval.

9 c. Typicality. A class representative's claims are typical when they arise from the same event,
10 practice, or course of conduct that gives rise to the claims of other putative class members, and if their
11 claims rest on the same legal theories. The class representative's claims must be "typical," but not
12 necessarily identical to the claims of other class members. *See B.W.I. Custom Kitchens v. Owens-Illinois,*
13 *Inc.* (1987) 191 Cal.App.3d 1341, 1347 ("[I]t has never been the law in California that the class
14 representative must have identical interests with the class members."). It is sufficient that the
15 representative is similarly situated so that he or she will have the motive to litigate on behalf of all class
16 members. *See Classen v. Weller* (1983) 145 Cal.App.3d 27, 47. Thus, it is not necessary that the class
17 representative should have personally incurred all of the damages suffered by each of the other class
18 members. *See Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 228.

19 Plaintiff's claims are typical of the other class members' claims because they arose from the same
20 factual basis and are based on the same legal theories. Plaintiff was employed as an hourly, non-exempt
21 employee during the Class Period and subject to the allegedly unlawful pay practices at issue in this
22 litigation. Accordingly, Plaintiff is a member of the class. The central issues of this litigation (employees
23 were underpaid because they were not paid for all hours worked, were not provided meal and rest break
24 premiums, and related wage and hour claims) would arise if this were an individual action brought by
25 Plaintiff, the same issues apply to the other class members as well, and the resolution of those common
26 issues would determine Defendant's liability to Plaintiff and liability to the entire putative class. As noted
27 in the operative Complaint, Plaintiff contends that Defendant did not compensate employees for all hours
28 worked, thus not paying employees all minimum wages and overtime due. Plaintiff further contends that

1 Defendant did not pay employees meal and rest break premiums, and that Defendant failed to issue lawful
2 wage statements to all employees. Thus, Plaintiff's claims are typical of the claims of the putative class.
3 Accordingly, the typicality requirement is satisfied.

4 d. Adequacy. A class representative must possess the same interest and suffer the same injury
5 as the class members. "To assure 'adequate' representation, the class representative's personal claim must
6 not be inconsistent with the claims of other members of the class." *J.P. Morgan & Co., Inc. v. Superior*
7 *Ct. (Heliotrope General, Inc.)* (2003) 113 Cal.App.4th 195, 212. Thus, the adequacy requirement is
8 satisfied when the class representative's interests are not antagonistic to those of the class. *See McGhee*
9 *v. Crocker-Citizens Nat. Bank* (1976) 60 Cal.App.3d 442, 451.

10 Plaintiff has no conflicts with the class, and in fact, Plaintiff's interests are aligned with those of
11 the class. Because Plaintiff's claims are identical to those that would be asserted by the unnamed class
12 members were they before the Court, Plaintiff has every interest in zealously representing the unnamed
13 class members. Plaintiff has not shrunk from this responsibility. Indeed, Plaintiff has devoted a substantial
14 amount of time and energy to litigating this action and effecting a settlement. Furthermore, as detailed
15 above, Class Counsel are experienced in wage-and-hour litigation, especially class actions, and have
16 zealously represented the interests of the class in litigating this case. Accordingly, the adequacy
17 requirement is satisfied.

18 e. Commonality. Common questions of law or fact in this case predominate over individual
19 questions. This action involves, *inter alia*, a determination about Defendant's failure to pay all wages due
20 to employees, the resulting failure to pay final wages when required, the failure to provide accurate
21 paystubs, failure to pay timely wages, failure to maintain records, and largely derivative claims under the
22 Business & Professions Code and the PAGA. Plaintiff contends these practices affected class members in
23 the same way. All class members were employed during the Class Period. Therefore, the operative
24 complaint delineates a common course of conduct applicable to all Class Members. Therefore, based on
25 Class Counsel's investigation, the review of the discovery produced by Defendant, and their discussions
26 with Plaintiff, Plaintiff contends the evidence supports their position that the employment practices and
27 policies of Defendant's business are consistent and uniform.

1 f. Predominance. Individualized issues do not predominate over the issues of law and fact
2 that are common to the class as a whole. The principal issues of controversy are whether Class Members
3 were paid for all hours worked, whether Defendant failed to provide Class Members with required meal
4 and rest breaks, and whether Defendant failed to keep required records, provide accurate wage statements,
5 or timely pay employees during and after employment. As explained above, there are common issues of
6 law and fact given that Plaintiff and all Class Members were subjected to the same policies and pay
7 practices during the relevant time period. Plaintiff and Class Members all seek unpaid wages and overtime
8 and penalties for failure to timely pay during and after employment. These issues are suitable for common
9 adjudication because all Class Members were subject to the same employment policies throughout the
10 Class Period and Plaintiff contends the practices applied uniformly to all Class Members.

11 g. Superiority. Class resolution is superior to other available methods for the fair and efficient
12 adjudication of the controversy. There is little interest or incentive for Class Members to individually
13 control the prosecution of separate actions. Although the injury resulting from Defendant's policies and
14 practices is real and significant, the cost of individually litigating each such case against Defendant would
15 easily exceed the value of any relief that could be obtained by any one Class Member individually. If
16 Class Members are forced to litigate their claims individually, this would result in as many as 290
17 individual actions against Defendant. Here, the alternative methods of resolution are individual suits for
18 relatively small amounts. Hence, an individual suit would prove uneconomical for potential Plaintiff
19 because litigation costs would dwarf a potential individual recovery.

20 h. Except for Plaintiff's Actions, Plaintiff is unaware of any other class actions by Class
21 members against Defendant asserting similar claims as here. Furthermore, Ventura County is a compelling
22 forum for this action given that Defendant's location is in Ventura County and numerous Class Members
23 work in this County.

24 i. There are no serious manageability difficulties presented by preliminarily approving the
25 case for settlement purposes. As this case will not go to trial if finally approved, all that would remain is
26 claims administration and responding to possible objectors.

1 I declare under penalty of perjury under the laws of the State of California that the foregoing is
2 true and correct. Executed this 7th day of February, 2025, at Santa Monica, California.

3
4 By: _____
5 Danny Yadidsion
6 Attorney for Plaintiff Harley Collins, individually,
7 and on behalf of the putative class and aggrieved
8 employees
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EXHIBIT 1

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Attorneys for Defendants
GMH, Inc. and West Coast Power Solutions

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF VENTURA**

HARLEY COLLINS, individually and on
behalf of the putative class,

Plaintiff,

v.

GMH, INC., a corporation; WEST COAST
POWER SOLUTIONS, a corporation; and
DOES 1- 50, Inclusive,

Defendants.

CASE NO.: 2023CUOE014707

*Assigned for all purposes to the Honorable
Ben Coats, Dept. 43*

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

Trial Date: None Set
Complaint Filed: September 27, 2023

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

1 This Class Action and PAGA Settlement Agreement, Release, and Stipulation is entered
2 between Defendants GMH, INC. and WEST COAST POWER SOLUTIONS (“Defendants”) and
3 Plaintiff HARLEY COLLINS (“Named Plaintiff”) in the Action as (defined below).

4 **DEFINITIONS**

5 1. Action. The “Action” means the class action and PAGA complaints and charges,
6 including the lawsuit entitled, *Harley Collins v. GMH, Inc., et al.*, Ventura County Superior Court
7 Case No. 2023CUOE014707.

8 2. Agreement. “Agreement” shall refer to the instant Class Action and PAGA
9 Settlement Agreement, Release and Stipulation.

10 3. Class Counsel. “Class Counsel” means Danny Yadidsion of Labor Law PC and/or
11 any successor(s) thereof.

12 4. Class Members, the Class, and Settlement Class Members. “Class Members”
13 means all persons who are employed or have been employed by Defendants in the state of
14 California as hourly-paid, non-exempt employees during the Class Period. The “Settlement Class”
15 or “Settlement Class Members” means all Class Members other than those who opt-out (see
16 Paragraphs 21 and 57.d).

17 5. Class Notice. “Class Notice” means the document mutually agreed upon by the
18 Parties and approved by the Court to be sent to the Class in English and Spanish following
19 preliminary approval that includes the scope of release language for Released Claims, notifies
20 Class Members of the Settlement, explains the Settlement and Class Members’ options, including
21 how Class Member’s estimated settlement payments are calculated, substantially in the form
22 attached hereto as “Exhibit A”.

23 6. Class Period. “Class Period” means September 27, 2019 through the date of
24 Preliminary Approval;

25 7. Complaint. “Complaint” means the operative complaint in the lawsuit entitled,
26 *Harley Collins v. GMH, Inc., et al.*, Ventura County Superior Court Case No. 2023CUOE014707,
27 including any amendments thereto.
28

1 8. The Court. The “Court” refers to the Ventura County Superior Court or other court
2 or courts that will approve the Action, whether individually or together.

3 9. Day. “Day” refers to a calendar day(s) unless otherwise stated. If any designated
4 date or deadline falls on a weekend or holiday, the designated date or deadline will occur on the
5 next business day.

6 10. Defendants. “Defendant” means GMH, INC. and WEST COAST POWER
7 SOLUTIONS, cumulatively referred to as “Defendants.”

8 11. Effective Date. “Effective Date” means the first business day following the last of
9 the following occurrences: (i) if no Class Member and/or PAGA Member timely and properly
10 intervenes, files a timely motion to vacate the Final Judgment order, or objects or otherwise
11 challenges the Settlement, then sixty-one (61) days after the date the Court enters an Order
12 Granting Final Approval of the Settlement and Final Judgment; or (ii) if a Class Member and/or
13 PAGA Member timely intervenes or files a timely appeal, then five (5) days after the Court
14 receives the mandate reflecting the final resolution of that appeal (including any requests for
15 rehearing and/or petitions for *certiorari*), resulting in final and complete approval of the Settlement
16 in its entirety without modification, with no further challenge to the Settlement being possible.
17 Defendant shall deposit all sums necessary to fund the Settlement after the Effective Date based
18 on the schedule explained in Paragraph 51 of this Agreement. In the event an appeal, writ, motion
19 challenging the judgment, or other collateral attack is made before the Effective Date, the funds
20 shall not be distributed until all challenges are resolved in a manner that upholds the Settlement in
21 its entirety and shall be returned if the Agreement is not finally and completely approved in all
22 respects.

23 12. Exclusion Period. The “Exclusion Period” means the time period commencing on
24 the date the Class Notice is mailed to Class Members via First Class U.S. and ending sixty (60)
25 days later on the deadline to submit an Opt-Out Request or Objection.

26 13. Final Judgment. “Final Judgment” means the judgment entered and filed by the
27 Court that: (1) finally approves this Agreement and the Settlement and disposes all class issues
28 raised in this Action, bars through collateral estoppel and/or res judicata Settlement Class Members

1 from reasserting Released Claims against Released Parties; (2) finally approves this Agreement
2 and the Settlement and disposes all PAGA issues and claims raised in this Action, bars through
3 collateral estoppel and/or res judicata PAGA Members from reasserting PAGA Claims against
4 Released Parties; and (3) awards and orders the payment of all required amounts pursuant to the
5 terms of this Agreement (approved Class Counsel’s attorneys’ fees and costs, Settlement Payments
6 to Class Members and PAGA Payments to PAGA Members, class representative enhancements to
7 Named Plaintiff, *etc.*). The Final Judgment will constitute a binding and final resolution of any
8 and all claims by the Named Plaintiff and all Settlement Class Members as to all Released Claims
9 and all PAGA Members as to all Released PAGA Claims as set forth in this Agreement.

10 14. Final Settlement Approval Hearing. “Final Settlement Approval Hearing” means
11 the hearing at which the Court shall consider the motion for final approval of this Settlement and
12 determine whether to fully and finally approve the fairness and reasonableness of this Settlement
13 and Agreement, and enter an order barring through collateral estoppel and/or res judicata
14 Settlement Class Members from asserting Released Claims against Released Parties and all PAGA
15 Members from pursuing Released PAGA Claims against Released Parties.

16 15. Funding Payments. “Funding Payments” means the payment(s) remitted to the
17 Settlement Administrator (“SA”) by or on behalf of Defendant following Final Judgment and the
18 Effective Date in full and complete discharge of the entire monetary obligation of Defendant in an
19 amount equal to the GSA, which, as set forth herein, shall satisfy all outstanding and awarded
20 Settlement Payments, PAGA Payments, attorneys’ fees and costs awarded to Class Counsel, the
21 Named Plaintiff’ enhancement awards as awarded by the Court, outstanding payments to the SA
22 as approved by the Court for settlement administration costs, and the payment to the Labor
23 Workforce Development Agency (or “LWDA”), minus any amounts already paid under the
24 Agreement.

25 16. Gross Settlement Amount or GSA. “Gross Settlement Amount” or “GSA” means a
26 fixed total payment of Six Hundred Ninety Five Thousand Dollars and Zero Cents (\$695,000.00),
27 payable by Defendant under this Agreement, which shall satisfy all outstanding and awarded
28 Settlement Payments, PAGA Payments, attorneys’ fees and costs awarded to Class Counsel, the

1 Named Plaintiff's enhancement awards as awarded by the Court, outstanding payments to the SA
2 as approved by the Court for settlement administration costs, and the payment to the LWDA.

3 17. Last Known Address. "Last Known Address" means the most recently recorded
4 mailing address for a Class Member and/or PAGA Member contained in Defendant's records.

5 18. Named Plaintiff. "Named Plaintiff" means Plaintiff Harley Collins.

6 19. Net Settlement Amount or "NSA". "Net Settlement Amount" or "NSA" means the
7 Gross Settlement Amount less the amounts deducted pursuant to Paragraphs 49a through 49e of
8 this Agreement, including deductions of the amounts awarded to Class Counsel, the enhancement
9 award to the Named Plaintiff, the payment to the LWDA to resolve claims under the PAGA, and
10 the costs awarded for settlement administration owed pursuant to this Agreement.

11 20. Objection. "Objection" means a written request, which a Class Member may submit
12 no later than the last day of the Exclusion Period and in the form specified in Paragraph 57 in order
13 to object to the Settlement, or a personal appearance, or other appearance permitted by the Court,
14 at the final approval hearing to object.

15 21. Opt-Out Request. "Opt-Out Request" must (1) contain the name, address, and
16 telephone number of the person requesting exclusion; (2) contain the last four numbers of the Class
17 Members' social security number or the employee number or dates of employment or provide a
18 similar basis to identify the individual; (3) be signed by the Class Member; (4) be postmarked or
19 fax stamped within the Exclusion Period [60 days after mailing date] and returned to the Settlement
20 Administrator at the specified address or fax number. (See Paragraph 56.d.) A Class Member
21 who opts-out and otherwise qualifies as a PAGA Member will remain a PAGA Member despite
22 opting out of the Class Settlement.

23 22. Order of Final Approval or Order Granting Final Approval of Settlement. "Order
24 of Final Approval" or "Order Granting Final Approval of Settlement" or "Final Approval" means
25 the order issued in conjunction with the entry of the Final Judgment to be submitted by the Named
26 Plaintiff together with the Motion for Final Approval of the Settlement for entry and filing by the
27 Court as specified in this Settlement.

23. PAGA Period. “PAGA Period” means September 26, 2022 through the date of Preliminary Approval.

24. PAGA Member. “PAGA Member” means all persons who are employed or have been employed by Defendant in the state of California as non-exempt employees during the PAGA Period.

25. PAGA Payment and PAGA Allocation. Of the Gross Settlement Amount, \$20,000.00 shall be paid for the Released PAGA claims. “PAGA Allocation” means the amounts distributed among PAGA Members and is the amount remaining from the \$20,000.00 (after subtracting the \$15,000 allocated to the LWDA) divided by the total number of PAGA Workweeks Worked credited to all PAGA Members. Each PAGA Member’s PAGA Payment is equal to the PAGA Workweek Rate multiplied by his or her individual PAGA Workweeks Worked pursuant to the records of Defendant, and will be paid to the PAGA Member even if they opt-out of the Class Settlement.

26. PAGA Workweeks Worked. “PAGA Workweek Worked” means the number of workweeks credited to a PAGA Class Member during the PAGA Period (for the Released PAGA Claims), as determined by Defendant’s records and estimates and as only subject to revision pursuant to this Agreement.

27. Parties. “Parties” means Named Plaintiff, individually on behalf of himself and on behalf of all Class Members, PAGA Members, and interests of the LWDA, and Defendants.

28. Preliminary Approval Order. “Preliminary Approval Order” is the order entered and filed by the Court that preliminarily approves the terms and conditions of this Agreement, including approval of the Parties’ Agreement that specifies the content of notice and manner in which notice will be provided to the Class and responded to by the Class.

29. Released Parties. “Released Parties” means Defendant and its affiliated companies, parents, members, subsidiaries, related companies and business concerns, predecessors and successors, past and present, and each of them, as well as each of their insurers, partners, trustees, directors, shareholders, officers, agents, attorneys, servants and employees, past and present, and each of them and all working with or in concert with them or connected with them.

30. Settlement Administrator. “Settlement Administrator” or “SA” means Phoenix Settlement Administrators or such other neutral administrator as chosen by the Parties and approved by the Court (see Paragraph 55a).

31. Released Claims. “Released Claims” means all claims, allegations, and assertions that were alleged, or reasonably could have been alleged, based on the facts, allegations, assertions, and claims in the operative Complaint and the PAGA administrative remedy exhaustion letter (“PAGA Notice”), and includes, (a) Failure to provide meal periods or pay premium payments for periods (see Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 226.7, 512; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, contract wages, overtime, or other amounts of wages for failing to “compensate Plaintiff and Settlement Class Members for all wages earned and all hours worked” (see Cal Labor Code §§ 510, 1194, 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) failure to timely pay wages during employment (see Labor Code § 204); (e) failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203); (f) failure to maintain required records (see Labor Code §§ 226, 1174; IWC Wage Order No. 1-2001, § 7); (g) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); (h) Failure to reimburse business expenses (see Labor Code § 2800-2802); (i) failure to properly calculate, accrue, display, and pay mandatory sick pay (see Labor Code § 246, et seq.); and (j) unfair business practices (see Bus. and Prof. Code § 17200, et seq.). “Released Claims” includes all types of relief available for the above-referenced claims, including, without limitation, any claims for damages, restitution, losses, civil and statutory penalties, fines, liens, attorneys’ fees, costs, expenses, debts, interest, injunctive relief, declaratory relief, or liquidated damages. The Final Judgment shall expressly provide that it covers and based on the doctrines of res judicata and/or collateral estoppel bars as a matter of law each and every Class Member from asserting any Settled Claims in the future, except for Class Members who have timely opted out of the Settlement.

32. Released PAGA Claims. “Released PAGA Claims” means all claims for PAGA penalties that were alleged, or reasonably could have been alleged in the operative Complaint and

the PAGA Notice based on the facts, allegations, assertions and claims in the operative Complaint and PAGA Notice, and, including, (a) Failure to provide or pay premium payments for meal periods (see Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 226.7, 512; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, contract wages, overtime, or other amounts of wages for failing to compensate Named Plaintiff and PAGA Members for all wages earned and all hours worked (see Cal Labor Code §§ 510, 1194, 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) failure to timely pay wages during employment (see Labor Code § 204); (e) failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203); (f) failure to maintain required records (see Labor Code §§ 226, 1174; IWC Wage Order No. 1-2001, § 7); (g) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); (h) Failure to reimburse business expenses (see Labor Code § 2800-2802); and (i) failure to properly calculate, accrue, display and pay mandatory sick pay (see Labor Code § 246, et seq.). “Released PAGA Claims” includes all types of relief available for the above-referenced claims, including, without limitation, any claims for civil penalties, attorneys’ fees, costs, and declaratory relief. The Final Judgment shall expressly provide that it covers and based on the doctrines of res judicata and/or collateral estoppel bars Plaintiff, LWDA, the State of California, and any other representative, proxy, or agent thereof, including but not limited to any and all PAGA Members from prosecuting “Released PAGA Claims” that arose during the PAGA Period.

33. Settlement Class/Settlement Class Member(s). “Settlement Class Member” means all Class Members other than those who have timely and validly submitted Opt-Out Requests and thereby excluded themselves from releasing Released Claims from the Settlement.

34. Settlement Payment. “Settlement Payment” means a payment pursuant to a Settlement Class Member’s pro rata allocation of the NSA as specified in Paragraph 51.

35. Settlement Proceeds Distribution Deadline. “Settlement Proceeds Distribution Deadline” means a date that is fourteen (14) days after the Funding Payment has been made by Defendant to the SA based on the schedule explained in Paragraph 61 of this Agreement.

36. Updated Address. “Updated Address” means a mailing address that was updated by a reasonable address verification measure of the SA or by an updated mailing address provided by the United States Postal Service for a Class Member or PAGA Member.

37. Workweek Rate. “Workweek Rate” for the Released Claims means the amount yielded from dividing the Net Settlement Amount by the total of all Workweeks Worked credited to all Settlement Class Members during the Class Period. Each Settlement Class Member’s settlement payment is equal to his or her individual Workweeks Worked during the Class Period and multiplied by the Workweek Rate. Therefore, the amount of each Settlement Class Member’s Individual Settlement Payment is tied to the number of Workweeks Worked that each Settlement Class Member worked for Defendant in the State of California in comparison to all Workweeks Worked by all Settlement Class Members in the State of California during the Class Period. Similarly, for the Released PAGA Claims, “Workweek Rate” means the amount yielded from dividing the PAGA Allocation by the total of all Workweeks Worked credited to all PAGA Members during the PAGA Settlement Period.

38. Workweeks Worked. A “Workweek Worked” means the number workweeks worked by a Class Member during the Class Period or PAGA Member during the PAGA Settlement Period (for the Released PAGA Claims), as determined or estimated by Defendant’s records and as only subject to revision pursuant to this Agreement.

RECITALS

39. Named Plaintiff filed a class action lawsuit on September 27, 2023, against Defendants alleging eight causes of action for: (1) Failure to Pay Wages for All Hours Worked; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Reimburse Business Expenses; (6) Failure to Furnish Timely and Accurate Wage Statements; (7) Failure to Pay all Compensation Due Upon Discharge; and (8) Unfair, Unlawful, or Fraudulent Business Practices.

40. On December 6, 2023, Plaintiff filed her First Amended Complaint including the Private Attorneys General Act as her ninth cause of action.

1 41. Defendants filed an Answer to the First Amended Complaint on January 9, 2024
2 and denied all allegations and claims asserted therein. Defendants deny that they engaged in any
3 misconduct in connection with its wage-an-hour practices and that they have any liability or
4 engaged in wrongdoing of any kind association with the claims alleged in the Action.

5 42. Defendants and Class Counsel, on behalf of Named Plaintiff and the Class
6 Members and aggrieved employees, attended mediation with Steve Cerveris, Esq., on September
7 12, 2024. The Parties hereto agree that the terms and conditions of this Agreement are the result
8 of lengthy, intensive arms-length negotiations between the Parties supervised by an experienced
9 employment law mediator. The Parties agree that the Agreement is entered into in good faith as to
10 each Class Member and PAGA Member and that the Settlement is fair, reasonable and adequate
11 as to each Class Member and PAGA member.

12 43. Class Counsel is of the opinion that this settlement is fair, reasonable, and adequate,
13 and in the best interest of the Class and PAGA Members and other relevant interests in light of all
14 known facts and circumstances, including the benefits conferred by the Settlement, the risk of
15 significant delay, the uncertainty and risk of the outcome of further litigation, the burdens of proof
16 necessary to establish liability, defenses asserted to the merits, including but not limited to the
17 affirmative defenses asserted as to Settlement Class Members, the risks of proceeding on any class
18 claims and PAGA claims, including class certification, the difficulties in establishing damages and
19 penalties, and the numerous potential appellate issues. While Defendants specifically deny any
20 liability or wrongdoing in the Action, Defendants have agreed to enter into this Settlement to avoid
21 the cost and business disruption associated with defending the Action. Defendants have claimed
22 and continue to claim that the Released Claims and Released PAGA Claims have no merit and do
23 not give rise to liability. This Agreement is a compromise of disputed claims. This Agreement,
24 made and entered into by and between the Named Plaintiff (on behalf of Plaintiff and on behalf of
25 the Class Members and PAGA Members and interests of the state of California, including the
26 LWDA) and Defendants, with the assistance of their counsel or attorneys of record, is intended to
27 fully, finally and forever settle, compromise and discharge the Released Claims and Released
28 PAGA Claims against the Released Parties, subject to the terms and conditions set forth herein.

1 44. Because the Class Case is pled as a class action, this Settlement must receive
2 preliminary and final approval by the Court. Because the PAGA Case is pled as a PAGA action,
3 this Settlement is subject to approval by the Court. Accordingly, the Parties enter into this
4 Agreement on a conditional basis.

5 **TERMS AND CONDITIONS OF SETTLEMENT**

6 NOW THEREFORE, in consideration of the recitals listed above and the promises and
7 warranties set forth below, and intending to be legally bound and acknowledging the sufficiency
8 of the consideration and undertakings set forth herein, the Named Plaintiff, individually on behalf
9 of herself and on behalf of the Class Members and PAGA Members and LWDA and state of
10 California's interests, on the one hand, and Defendant, on the other hand, agree that the Action
11 shall be, and is finally and fully compromised and settled on the following terms and conditions.

12 45. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
13 dispute that has arisen between them and to avoid the burden, expense and risk of continued
14 litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, that
15 they or any of them have: violated any federal, state, or local law; violated any regulations or
16 guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal
17 requirements; breached any contract; violated or breached any duty; engaged in any
18 misrepresentation or deception; or engaged in any other unlawful conduct with respect to its
19 employees or any other person or entity. Neither this Agreement, nor any of its terms or provisions,
20 nor any of the negotiations connected with it or proceedings, payouts or other events associated
21 with it, shall be construed as an admission or concession by Defendants of any such violation(s)
22 or failure(s) to comply with any applicable law by Defendants or any other Released Parties.
23 Except as necessary in a proceeding to approve, interpret or enforce the terms of this Agreement,
24 this Agreement and its terms and provisions shall not be offered or received as evidence in any
25 action or proceeding to establish any liability or admission on the part of the Released Parties or
26 to establish the existence of any condition constituting a violation of, or noncompliance with,
27 federal, state, local or other applicable law. In addition, as set forth in Paragraph 69, the Parties
28 intend this Settlement to be contingent upon the preliminary and Final Approval of this Agreement;

and in the event Final Approval of this Agreement is not obtained the Parties do not waive, and instead expressly reserve, their respective rights to prosecute and defend this Action as if this Agreement never existed in the event the Settlement is not fully and finally approved as set forth herein. In the event that this Agreement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court or any other court with jurisdiction over the Action, the Agreement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, further proceedings in this Action, except that the Court may award less than the amounts listed in Paragraph 49a through 49e without impacting the validity and enforceability of this Agreement and the Parties will be returned to their respective positions prior to entering this Agreement.

46. Stipulation for Class Certification. The Parties stipulate to the certification of this Settlement Class for purposes of this Settlement only. If, however, the Settlement does not become final for any reason, the Parties' Agreement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, whether class certification would be appropriate in any other context in this Action.

47. Release of Released Claims. As of the Effective Date, Named Plaintiff and all Settlement Class Members hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished and discharged any and all Released Claims against any and all Released Parties. In other words, the Settlement includes a release of all Released Claims during the Class Period by Settlement Class Members employed at any time during the Class Period.

a. The Parties agree for settlement purposes only that, because the Class Members are so numerous, it is impossible or impracticable to have each Class Member execute this Agreement. Accordingly, the Class Notice will advise all Class Members of the binding nature of the Agreement and such notice shall have the same force and effect as if the Agreement were executed by each Class Member.

b. Named Plaintiff and Class Counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign,

1 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
2 cause of action, or rights herein released and discharged, except as set forth herein.

3 c. Named Plaintiff and his or her respective former and present spouses,
4 representatives, agents, attorneys, heirs, administrators, successors, and assigns
5 generally, release and discharge Released Parties from all claims, transactions,
6 or occurrences that occurred during the Class Period, including, but not limited
7 to: (a) all claims that were, or reasonably could have been, alleged, based on the
8 facts contained, in the Operative Complaint and (b) all PAGA claims that were,
9 or reasonably could have been, alleged based on facts contained in the
10 Operative Complaint, Named Plaintiff's PAGA Notice, or ascertained during
11 the Action. ("Named Plaintiff's Release.") Named Plaintiff's Release does not
12 extend to any claims or actions to enforce this Agreement, or to any claims for
13 vested benefits, unemployment benefits, disability benefits, social security
14 benefits, workers' compensation benefits that arose at any time, or based on
15 occurrences outside the Class Period. Named Plaintiff acknowledges that
16 Named Plaintiff may discover facts or law different from, or in addition to, the
17 facts or law that Named Plaintiff now knows or believes to be true but agrees,
18 nonetheless, that Named Plaintiff's Release shall be and remain effective in all
19 respects, notwithstanding such different or additional facts or Named Plaintiff's
20 discovery of them.

21 d. For purposes of Named Plaintiff's Release, Named Plaintiff expressly waives
22 and relinquishes the provisions, rights, and benefits, if any, of section 1542 of
23 the California Civil Code, which reads:

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

1 e. The Parties agree that this is a settlement of disputed claims not involving
2 undisputed wages, and that Labor Code Section 206.5 is therefore inapplicable.

3 48. Release of Released PAGA Claims. As of the Effective Date, Named Plaintiff,
4 LWDA, the State of California, and any other representative, proxy or agent thereof, including but
5 not limited to any and all PAGA Members, hereby do and shall be deemed to have fully, finally,
6 and forever released, settled, compromised, relinquished and discharged are barred from
7 prosecuting "PAGA Claims" that arose during the PAGA Period against any and all of the
8 Released Parties. In other words, subject to Court approval, the Agreement includes a settlement
9 of all Released PAGA Claims during the PAGA Period by PAGA Members employed at any time
10 during the PAGA period to the fullest extent permitted under the PAGA, including settlement
11 contemplated in Labor Code section 2699(1)(2).

12 49. Settlement Payments and Calculation of Claims. Subject to the Final Approval of
13 the Settlement and the conditions specified in this Agreement, and in consideration of the mutual
14 covenants and promises set forth herein, Defendant agrees to make a payment or payments as set
15 forth herein totaling the fixed amount of Six Hundred Ninety Five Thousand Dollars and Zero
16 Cents (\$695,000.00). The GSA shall fully satisfy Defendants' obligations for any and all
17 payments, fees and costs identified in the Agreement, including, but not limited to, any payments
18 to be made to the Named Plaintiff, Settlement Class Members, PAGA Members, the LWDA, Class
19 Counsel's attorney's fees and out-of-pocket litigation expenses and costs, and settlement
20 administration costs. Other than employer-side payroll taxes, in no event shall Defendant be
21 required to pay any amounts above the GSA under this Settlement and this Agreement except as
22 set forth in Paragraph 51. The Parties agree, subject to Court approval, that the GSA shall be
23 apportioned as follows:

24 a. Attorney's Fees. Class Counsel will apply to the Court for an award of
25 attorney's fees of no more than thirty-five percent (35%) of the GSA or Two Hundred Forty Three
26 Thousand Two Hundred Fifty Dollars and Zero Cents (\$243,250.00). The attorneys' fees shall
27 come from and be deducted from the GSA and paid out as set forth herein. Defendant will not
28 oppose such application.

1 b. Attorneys' Costs. Named Plaintiff and Class Counsel shall request approval
2 of payment of up to but not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00) in
3 attorneys' costs, including any litigation costs, which will be deducted from the GSA and paid out
4 as set forth herein. Defendants will not oppose such application. Attorneys' fees as specified in
5 the preceding Paragraph and costs as specified in this Paragraph shall cover all claimed and
6 unclaimed attorneys' fees, attorneys' costs and other amounts payable or awardable against
7 Defendant for Class Counsel's work, effort or involvement in the Action and in carrying out the
8 Agreement and includes any and all work, effort or involvement to carry out the terms of the
9 Agreement and as may be potentially or actually necessary or advisable to defend the Agreement
10 and/or Settlement through appeal, or collateral attack or in any other forum or proceeding. These
11 specified Attorneys' Fees and Costs shall be the sole payment for attorneys' fees and costs and,
12 otherwise, the Parties and Class Members and their counsel shall bear their own fees and costs in
13 connection with the Action. Should the Court approve lesser amounts for Attorneys' Fees and
14 Costs, the difference shall be added to the NSA.

15 c. Administration Fees and Costs. Class Counsel will also apply to the Court
16 for approval of settlement administration costs in an amount not to exceed Fifteen Thousand
17 Dollars and Zero Cents (\$15,000) which will be deducted from the GSA. Defendants will not
18 oppose such application. Class Counsel will specify the amount sought for such costs, up to the
19 foregoing maximum, in Named Plaintiff's motions for preliminary and Final Approval of the
20 Settlement.

21 d. Named Plaintiff's Enhancement and General Release Payment. Class
22 Counsel will apply to the Court for approval of an enhancement award in an amount not to exceed
23 Ten Thousand Dollars and Zero Cents (\$10,000.00) to be paid to Named Plaintiff, from which
24 fifty percent (50%) shall be deemed consideration for a general release and from which fifty
25 percent (50%) shall be for assuming the risks associated with this litigation (including for assuming
26 the risks in the PAGA case). Defendant will not oppose such applications. The enhancement
27 awards are included in, and shall be deducted from, the GSA. Should the Court approve a lesser
28 amount, the difference shall be added to the NSA.

1 e. PAGA Allocation and Payments. PAGA Allocation and Payments.
2 Pursuant to California Labor Code Section 2698, et seq., the Parties designate Twenty Thousand
3 Dollars and Zero Cents (\$20,000.00) of the GSA to resolve any PAGA claims (including penalties
4 sought for Named Plaintiff' employment and penalties sought under the PAGA for all other PAGA
5 Members' employment and payment to the LWDA).

6 i. Defendant shall pay seventy five percent (75%) of that amount, or
7 Fifteen-Thousand Dollars and Zero Cents (\$15,000.00), to the LWDA and the remainder to PAGA
8 Members. In the event the LWDA refuses to accept the above amount in full for all civil penalties
9 to PAGA Members in connection with the civil penalty claims alleged in this Action, or in the
10 event the LWDA or anyone on its behalf otherwise challenges the above allocation or the
11 Settlement, the Parties shall work in good faith to revise the allocation so that it is accepted.

12 ii. The remaining Five Thousand Dollars and Zero Cents (\$5,000.00)
13 shall be paid to PAGA Members by multiplying the PAGA Workweek Rate by each individual
14 PAGA Member's PAGA Workweeks Worked.

15 f. Net Settlement Amount. The NSA will be the amount remaining after
16 deducting the amounts specified in Paragraphs 49a through 49e above (including deducting the
17 amount in 49e.ii, which will be separately distributed to PAGA Members).

18 g. Settlement Payments to Settlement Class Members. Only the following
19 individuals will receive Settlement Payments under the Settlement Agreement: (1) the Named
20 Plaintiff; (2) Settlement Class Members; and (3) PAGA Members. PAGA Payments will be
21 calculated as set forth in paragraph 25, above, and Settlement Payments will be calculated as
22 follows:

23 i. The NSA will be divided by the total Workweeks Worked by all
24 Settlement Class Members during the Class Period as reflected in Defendant's records and
25 estimates based on existing records. All Settlement Class Members shall be paid an amount equal
26 to their individual Workweeks Worked during the Class Period, multiplied by the Workweek Rate.
27 Workweeks Worked shall be determined by the SA based on data to be provided by Defendant, as
28 may be modified by the resolution of any challenges.

ii. The Parties agree that under no circumstances shall Defendants be obligated to pay any amount under this Agreement to any Class Member other than Settlement Class Members and PAGA Members. In addition, the Parties agree that in no event shall Defendants be obligated to pay more than the GSA, except for the separate payment of employer-side payroll taxes, as provided in paragraph 53.

iii. The Parties acknowledge and agree that the formula used to calculate Workweeks Worked, individual Settlement Payments, PAGA Workweeks Worked, and PAGA Payments does not imply that all of the elements of damages covered by the release are not being taken into account. The above formulas were devised as practical and logistical tools to simplify the payment process.

50. No Credit Toward Benefit Plans. The Settlement Payments made to Settlement Class Members and PAGA Payments made to PAGA Members under this Agreement shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members or Class Members or PAGA Members may be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members, Class Members and PAGA Members may be entitled under any benefit plans.

51. Taxation of Settlement Proceeds. All taxable portions of Settlement Payments shall be paid in a net amount after applicable employee state and federal tax withholdings, including employee-side payroll taxes, if any, have been deducted.

a. The Parties agree that the Settlement Payments will be allocated as follows: forty percent (40%) to wages, for which an IRS Form W-2s shall be issued, forty percent (40%) for alleged civil and statutory penalties, and twenty percent (20%) for alleged interest on unpaid wages and any other non-wage related amount, if any, and will be reported as such to each Settlement Class Member on an IRS Form 1099. The PAGA Payments to PAGA Members will be designated as payments for alleged penalties and other non-wage amounts. The portions of the Settlement Payments allocated to penalties, interest or other non-wage amounts and the PAGA

1 Payments will be paid without tax withholdings and will be reported as such to each Settlement
2 Class Member and/or PAGA Member on an IRS Form 1099.

3 b. The SA shall calculate, withhold from the Settlement Payments, and remit
4 to applicable governmental agencies sufficient amounts, if any, as may be owed by Settlement
5 Class Members for applicable employee taxes. The SA will issue appropriate tax forms, if
6 required, to each such Settlement Class Member consistent with the foregoing breakdown. The
7 SA shall also calculate and obtain from Defendant and remit to applicable governmental agencies
8 sufficient amounts, if any, as may be owed for employers'-side payroll taxes based on the wage
9 portion of the Settlement Payments.

10 c. All Parties represent that they have not received, and shall not rely on,
11 advice or representations from other parties or their agents, including Class Members and PAGA
12 Members, regarding the tax treatment of payments under federal, state, or local law. In this regard,
13 Defendants makes no representations regarding the taxability of the Settlement Payments and
14 PAGA Payments.

15 d. Class Counsel will be issued an IRS Form 1099 for any fees and costs
16 awarded by the Court pursuant to Paragraph 49. Except as provided in Paragraph 49, each Party
17 shall bear his, her or its own attorneys' fees, costs, and expenses incurred in the prosecution,
18 defense, or settlement of the Action. Class Counsel agrees that any allocation of fees between or
19 among each of the Class Counsel or among the Class Counsel and any other attorney that may be
20 representing Named Plaintiff or the Class, if any, shall be the sole responsibility of Class Counsel.
21 Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each
22 Party to this Agreement other than the acknowledging party, an "other party") acknowledges and
23 agrees that no provision of this Agreement, and no written or oral communication or disclosure or
24 other representation by Defendant and/or Released Parties is or was intended to be, nor shall be
25 construed or be relied upon as, tax advice, and Named Plaintiff, Class Members and PAGA
26 Members shall not rely on Defendant and/or Released Parties for any tax advice with respect to
27 the Settlement of this Action.
28

1 e. The Named Plaintiff will be issued an IRS Form 1099s for any enhancement
2 awards approved by the Court pursuant to Paragraph 49. The enhancement awards payable to the
3 Named Plaintiff shall be in addition to the Settlement Payments and PAGA Payments that Named
4 Plaintiff will receive.

5 52. Provisional Approval of Settlement. Named Plaintiff shall file a motion in the
6 Action and take all other action to request that the Court enter the Preliminary Approval Order
7 based on an agreed-upon Settlement schedule, subject to Court approval:

8 a. Seeking class certification on the terms set forth in this Agreement solely
9 for purposes of the Class Settlement;

10 b. Preliminarily approving the proposed Settlement and this Agreement,
11 including the payments to the Settlement Class Members, Class Counsel, the Named Plaintiff,
12 PAGA Members, the SA, and the LWDA;

13 c. Preliminarily approving the appointment of the Named Plaintiff as
14 representative of the Class for settlement purposes;

15 d. Preliminarily approving the appointment of counsel for Named Plaintiff as
16 Class Counsel;

17 e. Appointing and approving a SA as chosen by the Parties and approved by
18 the Court, to administer the notice, opt-out requests, objections and Settlement Payment and
19 PAGA Payment procedures required by this Agreement;

20 f. Approving the form of the Class Notice mutually agreed by the Parties;

21 g. Scheduling the Final Settlement Approval Hearing for consideration of
22 Final Approval of this Agreement;

23 h. Requiring that any Class Members who object to the Settlement Agreement
24 submit any objection to the SA postmarked by the end of the Exclusion Period or appear in person
25 or by other Court approved means at the Final Approval Hearing, and that the Parties be given an
26 opportunity to file written responses to any objection(s) with the Court;

i. Approving the procedure for Class Members to submit Opt-Out Requests, and setting a date after which no Class Members shall be allowed to submit Opt-Out Requests; and

j. Approving the procedure for Settlement Class Members to object to the Settlement.

k. Defendants shall not oppose Class Counsel's motions for preliminary approval and Final Approval of the Settlement so long as the motions and supporting papers are consistent with the terms of this Agreement. Class Counsel shall provide Defendants with an opportunity of 5 days to review, and provide comments on the motions for preliminary and Final Approval of the Settlement before the motion and supporting papers are filed with the Court. The Parties will meet and confer and agree upon the wording of the settlement packages to be sent to Class Members, as well as the proposed orders for preliminary and Final Approval before filing. Failure of the Court to grant the Preliminary Approval Order will be grounds for the Parties to terminate the Settlement and the terms of the Agreement, except that the Parties must first work in good faith to file any amended or supplemental motions as necessary to secure preliminary approval and must work in good faith to comply with any changes to the Settlement proposed by the Court to the extent the changes are acceptable by both Parties. The Court may award less than the amounts listed in Paragraph subparts 49a through 49e without impacting the validity and enforceability of this Agreement, and such action by the Court will not constitute grounds for the Parties to terminate the Settlement and the terms of the Agreement.

53. Notice Procedure.

a. Settlement Administrator. The Parties will use Phoenix Class Action Administration Solutions or a another mutually agreeable third-party SA to distribute the Class Notice and the Settlement Payments and PAGA Payments and handle the tax reporting and field any questions from Class Members and/or PAGA Members with a hotline. The SA (along with any of its agents) shall represent and warrant that it will: (a) provide reasonable and appropriate administrative, physical and technical safeguards for any personally identifiable information ("PII"), which it receives from Defendants; (b) not disclose the PII to Class Counsel, Named

1 Plaintiff, any party or third parties, including agents or subcontractors, without Defendant's
2 consent; (c) not disclose or otherwise use the PII other than to carry out its duties as set forth
3 herein; (d) promptly provide Defendant with notice if PII is subject to unauthorized access, use,
4 disclosure, modification, or destruction; and (e) continue to protect the PII upon termination of its
5 services.

6 b. Class Member Data. Within thirty (30) days after filing of the Preliminary
7 Approval Order, or within the time ordered by the court, Defendants shall provide to the SA a list
8 of Class Members and PAGA Members that identifies for each Class Member/PAGA Member,
9 his/her Social Security number, last-known address, and the workweek numbers and other Class
10 Member data confirm qualifying Workweeks Worked and PAGA Workweeks Worked or will
11 forward the start and end date(s) of employment for the SA to calculate the Workweeks Worked
12 and PAGA Workweeks Worked. Defendants agree to consult with the SA as required to provide
13 the list in a format reasonably acceptable for the duties of the SA. The SA will keep the list
14 confidential, use it only for the purposes described herein, take adequate safeguards to protect
15 confidential or private information and return or certify the destruction of the information or
16 continued safeguarding of the information upon completion of the Settlement Administration
17 process.

18 54. Class Notice. The Class Notice will include information on how Class Members
19 may opt-out of or object to the Settlement and a procedure by which a Class Member may
20 challenge the number of Workweeks Worked identified on his/her Class Notice. The Named
21 Plaintiff will seek approval of language in the Class Notice in the motion for preliminary approval
22 and will seek permission for the Parties in conjunction with the SA to be able to correct immaterial
23 errors on these forms or other mailed materials without approval from the Court, provided the
24 changes do not alter the preliminary approval by the Court. Once the Court approves the Class
25 Notice, the SA will send it to each Class Member and PAGA Members by First-Class U.S. Mail.

26 a. Settlement Administrator Duties. Prior to mailing the Class Notice, the SA
27 will update the addresses for the Class Members and PAGA Members using the National Change
28 of Address database and other available resources deemed suitable by the SA. To the extent this

process yields a different address from the one supplied by Defendants (“Updated Address”), that Updated Address shall replace the address supplied by Defendants (“Last Known Address”) and be treated as the new Last Known Address for purposes of this Agreement and for subsequent mailings in particular. The Settlement Administrator shall be permitted to provide notices and communicate to the Class and PAGA Members in a format and statement to be provided to the Court, which Named Plaintiff will submit in conjunction with the motion for preliminary approval and/or motion for Final Approval.

b. Class Notice Procedure. Within fourteen (14) days after receipt of the above information from Defendant, the SA shall send the Class Notice to each Class Member’s and PAGA Member’s Last Known Address or Updated Address (if applicable) via First-Class U.S. mail.

c. Exclusion Period. Class Members will have sixty (60) days from the postmark of the initial mailing of the Class Notice by the SA to submit by U.S. mail their Opt-Out Requests, with proof of date of submission to be the postmark date of the completed Opt-Out Request. Class Members will also have sixty (60) days to object to the Settlement by submitting a written objection with the SA that sets forth the basis of the objection pursuant to Paragraph 57, which the SA shall submit to the Parties within 10 days after the end of the Exclusion Period, and Class Counsel shall submit to the Court. Opt-Out Requests do not apply to the Released PAGA Claims and will not exclude PAGA Members from the release of Released PAGA Claims.

d. SA Follow-up efforts.

i. The SA shall re-mail by First-Class U.S. mail the Class Notice returned by the Post Office with a forwarding address, and shall re-mail by First-Class U.S. mail the Class Notice to any Class Member/PAGA Member who personally provides an updated address to the SA.

ii. In the event that the first mailing of the Class Notice to any Class Member/PAGA Member is returned without a forwarding address, the SA will immediately perform skip trace(s) if necessary using social security numbers provided by Defendant and National Change of Address searches, as needed, to verify the accuracy of the addresses provided

1 and will conduct a second round of mailings of the Class Notice by First-Class, U.S. mail within
2 an agreed number of days for those forms returned to sender. If no new information is ascertained
3 by means of a skip trace, or if the Class Notice is returned to SA after using an address obtained
4 from a standard skip trace, the SA will immediately perform a manual “in-depth skip trace” to
5 locate a more recent or accurate address. If an Updated Address is identified by this method, the
6 SA will resend the Class Notice to the Updated Address within three (3) days of identifying the
7 Updated Address.

8 iii. In the SA re-mails of the Class Notice, it shall note for its own
9 records the date and the address of each re-mailing. Those Class Members who receive a re-mailed
10 Class Notice, whether by skip-trace or forwarded mail, will have sixty (60) days from the postmark
11 an Exclusion Form, or file and serve an objection to the Settlement or dispute the information
12 provided in their Class Notice. The Settlement Administrator shall mark on the envelope whether
13 the Class Notice is a re-mailed notice.

14 e. Documenting Communications. The SA shall date stamp documents it
15 receives, including Opt-Out Requests, Objections, and any correspondences and documents from
16 Class Members/PAGA Member.

17 f. Settlement Administrator Declaration. At least seven (7) days prior to the
18 deadline for filing the motion for final approval, the SA shall prepare, subject to Class Counsel’s
19 and Defendants’ input and approval, a declaration setting forth the due diligence and proof of
20 mailing of the Class Notices, the results of the SA’s mailings, including tracing and re-mailing
21 efforts, and the Class Members’/PAGA Member’s responses to those mailing and provide
22 additional information deemed necessary to approve the settlement.

23 g. SA Written Reports. Each week during the Exclusion Period, the SA shall
24 provide the Parties with a report listing the number of Class Members that submitted Opt-Out
25 Requests and Objections. Within seven (7) days after the close of the Exclusion Period, the SA
26 will provide a final report listing the number of Class Members who submitted Opt-Out Requests
27 or Objections.
28

1 h. SA Calculations of Settlement Payments. Within seven (7) days after
2 resolving all challenges made by Settlement Class Members, and following the Final Approval
3 Order, the SA shall provide to the Parties a report showing its calculation of all Settlement
4 Payments to be made to Settlement Class Members and PAGA Members. After receiving the SA's
5 report, Class Counsel and Defendant's counsel shall review the same to determine if the calculation
6 of payments to Settlement Class Members/PAGA Members is consistent with this Agreement, and
7 shall notify the SA if either counsel does not believe the calculation is consistent with the
8 Agreement. After receipt of comments from counsel, the SA shall finalize its calculation of
9 Settlement Payments and PAGA Payments, at least five (5) days prior to the distribution of such
10 payments, and shall provide Class Counsel and Defendant's Counsel with a final report listing the
11 amount of all payments to be made to each Settlement Class Member from the NSA and listing
12 the amount of all payments to be made to each PAGA Member from the amount allocated for
13 PAGA Payments. The SA will also provide information that is requested and approved by both
14 Parties regarding its duties and other aspects of the Settlement and that is necessary to carry out
15 the terms of the Settlement.

16 55. Requirements for Recovery of Settlement Payments

17 a. Class Members. No claim form is necessary to participate in the Settlement.
18 Unless a Class Member submits a valid and timely Opt-Out Request (as described in Paragraphs
19 14 and 55d), a Class Member will be a Settlement Class Member, bound by the Judgment, and
20 will receive a payment from the NSA. All Class Members except for those who timely and validly
21 opt-out of the Settlement shall be bound by the release of Released Claims in this Agreement. All
22 PAGA Members, including any who opt-out of the Class Settlement, shall be bound by the release
23 of the Settled PAGA Claims and shall be barred from seeking any action for civil penalties for
24 Released PAGA Claims in this Agreement. At Defendant's option, checks in payment of amounts
25 due to Settlement Class Members under the Settlement may contain a brief statement of waiver of
26 Released Claims and/or Released PAGA Claims as part of the endorsement language.

27 b. Late Submissions. The SA shall not accept as valid any Opt-Out Request
28 postmarked after the end of the Exclusion Period, as extended for remailings, absent agreement

1 from the Parties or order of the Court. It shall be presumed that, if an Opt-Out Request is not
2 postmarked on or before the last day of the Exclusion Period, the Class Member did not return the
3 Opt-Out Request in a timely manner.

4 c. Challenges. Class Members will have the right to challenge the number of
5 Workweeks Worked allocated to them. The following challenge procedure will be established for
6 the Class Member to dispute information on which his/her payment amount is based: Challenges
7 to the number of Workweeks Worked shall be sent directly to the SA at the address indicated on
8 the Class Notice. A Class Member challenging the number of Workweeks Worked identified may
9 also submit documentary evidence in order to prove the claimed number of Workweeks Worked
10 during the Class Period. Defendant shall have the right to respond to the challenge by any
11 Settlement Class Member. No challenge to the number of Workweeks Worked will be accepted
12 unless sent by U.S. mail within sixty (60) days from the initial mailing of the Class Notice by the
13 SA, with proof of date of submission to be the postmark date unless ordered by the Court.
14 Additional time may be provided to a Class Member only upon a showing of good cause and within
15 an amount of time determined by the SA that will not delay the distribution of Settlement Payments
16 to other Class Members/PAGA Members and in no event beyond the date of filing of the motion
17 for final approval. The SA will inform Class Counsel and Defendants' counsel in writing of any
18 timely filed challenges and will preliminarily determine all such disputes after consulting with the
19 Parties regarding the number of Workweeks Worked. If each of the Parties does not agree with
20 the SA's preliminary determination, the dispute will be submitted to the Court for a decision, and
21 the Court's determination shall be final and binding without a right of appeal.

22 d. Opt-Out Procedure. Unless a Class Member timely opts out of the
23 Settlement described in this Agreement, he/she shall be bound by the terms and conditions of this
24 Agreement, and shall also be bound by the Final Judgment. A Class Member will not be entitled
25 to opt-out of the Settlement established by this Agreement unless he or she submits to the SA a
26 request or notice of opting out via U.S. mail postmarked on or before the expiration of the
27 Exclusion Period. The request must be in writing on an Opt-Out Request and include the Class
28 Member's name, address, date, signature, to the notice that indicates he or she "opts out" of the

Settlement. Opt-Out Requests do not apply to the Released PAGA Claims and will not exclude PAGA Members from the release of Released PAGA Claims.

i. Upon receipt of any Opt-Out Request within the Exclusion Period, the SA shall review the request to verify the information contained therein, and confirm that the requests complies with the requirements of this Agreement.

ii. Any Class Member who fails to submit via U.S. mail a timely, complete, and valid Opt-Out Request shall be barred from opting out of this Agreement or the Settlement. The SA shall not have the authority to extend the deadline for Class Members to file a request to opt out of the Settlement absent agreement by both Parties.

iii. Class Members shall be permitted to rescind in writing their request to opt-out by submitting a written rescission statement to the SA no later than the Effective Date, and provided individual Settlement Payments can be recalculated to reflect the rescission.

iv. Defendants alone have the option to withdraw from and void the settlement if the number of opt outs reaches or exceeds five percent (5%) of all Class Members or the number of Workweeks Worked by the opt-outs equals or exceeds three percent (3%) of the total Workweeks worked by the Settlement Class Members. Defendants shall provide written notice of such withdrawal to Class Counsel. In the event that Defendants elect to so withdraw, the withdrawal shall have the same effect as a termination of this Agreement for failure to satisfy a condition of Settlement for affected individuals and amounts, and the Agreement shall become null and void and have no further force or effect in that respect, but shall remain binding and enforceable in all other respects. In the event that Defendants exercise this option, they will be solely responsible for any additional Settlement Administrator's costs related to those affected by this provision.

56. Objections to Settlement. Any Settlement Class Member may object to the Settlement. Any such objection may be submitted to the SA in writing on or before the close of the Exclusion Period or may appear at the Final Approval Hearing object orally. If any Settlement Class Member wish to object in writing, any such written Objection shall include: (1) the full name of the Settlement Class Member; (2) address of the Settlement Class Member; (3) the basis for the

objection; and (4) if the Settlement Class Member intends to appear at the Final Approval Hearing. The Parties shall be permitted to file responses to the Objection in addition to any motion for final approval documents. Settlement Class Members may also appear at the Final Approval Hearing to object. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to submit written objections to the Settlement or appeal from the Order granting final approval and/or Final Judgment. Class Counsel shall not represent any Settlement Class Members with respect to any such objections.

57. Defendants' Right to Withdraw. If the number of valid Objections for exclusion from the settlement exceeds 15% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its their election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

58. Final Fairness Hearing, Final Approval and Final Judgment.

a. Entry of Final Judgment. At the Final Approval Hearing, Named Plaintiff will request, and Defendants will concur in said request, that the Court enter a Final Judgment.

b. Motion. Named Plaintiff will draft and file a motion for final approval and for approval of any attorneys' fees and costs and enhancement award in conformity with any requirements from the Court and will take other action to request the entry of Final Judgment in accordance with this Agreement. The motion for final approval and corresponding paperwork will be subject to input and approval from Defendants and the proposed judgment finally approving the Settlement shall be subject to the input from and approval by Defendants, provided that Defendants shall have five (5) days from receipt to provide such input. Defendant will concur in or not object to said request that the Court enter Final Judgment finally approving this Agreement.

1 In conjunction with the motion for final approval, Class Counsel shall file a declaration from the
2 SA confirming that the Class Notice and related forms were mailed to all Class Members as
3 required by this Agreement, as well as any additional information Class Counsel, with the input
4 and approval of Defendants, deems appropriate to provide to the Court.

5 c. Objections. Before and/or at the Final Fairness Hearing, Named Plaintiff
6 and Defendants, through their counsel of record, may address any written objections from Class
7 Members or any concerns from Class Members who attend the hearing as well as any concerns of
8 the Court.

9 d. Order. Named Plaintiff will also draft and submit a proposed Order of Final
10 Approval and Final Judgment in the form that is consistent with this Agreement. The Parties shall
11 take all reasonable efforts to secure entry of the Order of Final Approval and Final Judgment. If
12 the Court rejects the Agreement, fails to enter the Order of Final Approval, or fails to enter the
13 Final Judgment, even after good faith efforts by the Parties to meet and confer and remedy where
14 agreement can be reached any perceived deficiencies in the Settlement, this Agreement shall be
15 void ab initio, and Defendants shall have no obligation to make any payments under the
16 Agreement, except for payments to the SA for services performed up to that time. The Named
17 Plaintiff will submit a proposed Order of Final Approval subject to the review and approval of
18 Defendants that will contain provisions:

19 i. Wherein the Court enters Final Judgment, finding that this
20 Agreement and Settlement is fair, just, equitable, reasonable, adequate and in the best interests of
21 the Class and was reached as a result of intensive, serious, and non-collusive arms-length
22 negotiations and was achieved with the aid of an experienced mediator and in good faith as to each
23 Class Member;

24 ii. Affirms that each side will bear its own costs and fees (including
25 attorneys' fees), except as provided by the Agreement, and that Defendant shall not be required to
26 pay any amounts other than as set forth in the Agreement and the Order of Final Approval, and in
27 no event any amount above the GSA, except for employer-side taxes;

1 iii. That confirms the certification of the Class for purposes of
2 Settlement;

3 iv. That finds that the Settlement Administration process as carried out
4 afforded adequate protections to Class Members, provided the best notice practicable, and satisfied
5 the requirements of law and due process;

6 v. That rejects any Objections to the Settlement;

7 vi. That approves the settlement of PAGA Claims consistent with the
8 Settlement;

9 vii. That bars each and every Class Member and/or PAGA Member
10 from asserting any Settled Claims and/or Settled PAGA Claims in the future, an expressly
11 references the applicability of the doctrines of res judicata and/or collateral estoppel;

12 viii. That retains Court jurisdiction after entry of judgment to oversee
13 administration and enforcement of the terms of the Agreement; and

14 ix. That requires the Parties to carry out the provisions of this
15 Agreement.

16 59. Post-Final Approval Requirements and Procedures. Following entry of the Court's
17 Order Granting Final Approval of Settlement and Final Judgment, the Parties will act to assure the
18 timely execution and fulfillment of all its provisions, including, but not limited to, the following:

19 a. Should an appeal be taken from the Final Approval of the Settlement, all
20 Parties will support the Order of Final Approval and Final Judgment on appeal;

21 b. The Parties will assist the SA as needed or requested in the process of
22 identifying and locating Settlement Class Members entitled to Settlement Payments from the NSA
23 and PAGA Members entitled to PAGA Payments and assuring delivery of such payments;

24 c. Class Counsel will assist the SA as needed or requested in completing the
25 distribution of any uncashed checks as directed by the Court; and

26 d. Class Counsel will certify to the Court completion of all payments required
27 to be made by this Settlement Agreement.
28

1 60. Payment of Settlement. Defendants will deposit the Funding Payment into an
2 account established by the SA within 7 days of the Effective Date. The remittance of the Funding
3 Payment to the SA shall constitute full and complete discharge of the entire monetary obligation
4 of Defendant under this Agreement. No Released Party shall have any further monetary obligation
5 or liability to Class Counsel, Named Plaintiff, or Settlement Class Members and/or PAGA
6 Members under this Agreement after receipt by the SA of the Funding Payment.

7 a. The Parties agree that the Funding Payment will qualify as a settlement fund
8 pursuant to the requirements of Section 468(B)(g) of the Internal Revenue Code of 1986, as
9 amended, and Section 1.468B-1 et seq. of the income tax regulations. Furthermore, the SA is
10 hereby designated as the “Administrator” of the qualified Settlement funds for purposes of Section
11 1.468B-2(k) of the income tax regulations. As such, all employee taxes imposed on the gross
12 income of that settlement fund and any tax-related expenses arising from any income tax returns
13 or other reporting documents that may be required by the Internal Revenue Service or any state or
14 local taxing body will be paid from the Funding Payment by the SA.

15 b. The distribution of Settlement Payments to Settlement Class Members shall
16 occur no later than the Settlement Proceeds Distribution Deadline. The SA shall be deemed to
17 have timely distributed Settlement Payments if it places said payment in the mail (First-Class
18 U.S.). When the SA receives notice from Settlement Class Members that they have not received
19 such Settlement Payments due to changes of address or other circumstances, the SA shall be
20 deemed to have timely distributed those Settlement Payments if (after satisfying itself that the
21 amounts have not been received or negotiated) it re-mails the payments to the updated addresses
22 or provides for delivery by other reasonable methods requested by such Settlement Class
23 Members, provided that any and all requests for re-mailing shall be actually received and
24 acknowledged by the SA before the 150-day deadline referenced in Paragraphs 62 and 63 or will
25 be deemed ineffective, and have no effect and the original mailed amount shall be deemed timely
26 distribution of the Settlement Payment. If any checks are returned to the SA without a forwarding
27 address the SA shall conduct a skip-trace and re-mail the checks. The SA shall mail all Settlement
28 Payments by the Settlement Proceeds Distribution Deadline. To comply with California Rule of

1 Court 3.771, settlement checks shall include the following language on the check: “A Court has
2 approved settlement of the class action and PAGA representative actions and entered judgment for
3 claims asserted in Harley Collins v. West Coast Air Conditioning, et al., Ventura County Superior
4 Court Case No. 2023CUOE014707.” No person shall have any claim against the SA, Defendants
5 or other Released Parties, Class Counsel, Defendants’ counsel, or any other agent designated by
6 Named Plaintiff or Defendants based upon the distribution of Settlement Payments made
7 substantially in accordance with this Agreement or further orders of the Court.

8 c. The distribution of attorneys’ fees, costs, and the Named Plaintiff’s
9 enhancement/general release awards shall occur no later than the payment date of the payment
10 under the Settlement Proceeds Distribution Deadline. Under no circumstances shall the foregoing
11 payments be made prior to the distribution of Settlement Payments to Settlement Class Members
12 and PAGA Payments to PAGA Members.

13 d. Upon Defendant’s transfer of the Funding Payment and employer-side taxes
14 to the SA, Defendants and the other Released Parties, and Defendants’ counsel shall have no
15 further monetary liability or financial responsibility to Class Counsel or to any vendors or third
16 parties employed by the Named Plaintiff or Class Counsel in connection with the Action.

17 e. Defendant shall not be obligated to make any payments contemplated by
18 this Agreement unless and until the Court enters the Final Approval Order and Final Judgment,
19 and after the Effective Date of the Agreement, and no amounts will be owed or payable until all
20 timely appeals filed before the Effective Date or other collateral attacks timely initiated before the
21 Effective Date have lapsed or have been favorably resolve din favor of the Settlement. The Parties
22 agree that only Class Members or PAGA Members have standing to appeal or initiate collateral
23 attacks against the Settlement and that no appeal or collateral attack initiated by a non-Class
24 Member or non-PAGA member, whether before or after the Effective Date, shall delay
25 Defendants’ payment obligations as set forth in this Agreement.

26 61. Settlement Class Members and/or PAGA Members who are sent Settlement
27 Payments shall have one hundred fifty (150) days after mailing by the SA to cash their settlement
28 checks.

62. If such Settlement Class Members and/or PAGA Members do not cash their checks within that period, those checks will become void and a stop payment will be placed on the uncashed checks. Checks that are not cashed within one hundred and fifty (150) days of mailing shall, subject to Court approval, be distributed pursuant to the State Controller Unclaimed Property Fund, or as otherwise directed by California Code of Civil Procedure Section 384 and as ordered by the Court. The Parties agree that if the remaining funds are not able to be distributed to the State Controller Unclaimed Property Fund and if a cy pres fund is required, subject to Court instruction, that the SA shall forward the entire amount of any amounts remaining from uncashed checks, plus any interest that has accrued thereon, to the California CASA Association (see <https://www.californiacasa.org>), unless not accepted by the Court in which case the Parties will meet and confer about an acceptable cy pres. In such event, those Settlement Class Members and/or PAGA Members will be deemed to have waived irrevocably any right in or claim to a Settlement Payment and/or PAGA Payment subject to their rights, if any, to recover the Settlement Payments and/or PAGA Payments from the Unclaimed Property Fund if ordered or otherwise will be extinguished. Settlement Class Members and/or PAGA Members who fail to negotiate their check(s) in a timely fashion shall, like all Settlement Class Members who did not validly opt out of the Settlement, remain subject to the terms of the Settlement and the Final Judgment.

63. The SA shall keep Class Counsel and Defendants' counsel apprised of all distributions from the GSA. Upon completion of administration of the Settlement, the SA shall provide written certification of such completion to the Court, Class Counsel and Defendant's Counsel.

64. Binding Effect of Agreement on Settlement Class Members and PAGA Members. Subject to final Court approval, all Settlement Class Members and PAGA Members shall be bound by this Agreement, and Final Judgment shall be entered in the Action. In addition, unless the Class Member opts out of the Settlement described in this Agreement, he/she shall be bound by the Court's Order of Final Approval and Final Judgment, and PAGA Members shall be bound by the Court's Order of Final Approval and Final Judgment regardless of whether they opt-out of the Class Settlement. As set forth more fully in Paragraph 69, if the Court does not enter an Order of

Final Approval and Final Judgment granting Final Approval of the Settlement, which becomes final, the Settlement shall become null and void, and its terms and all documents setting out its terms shall be inadmissible in further litigation of this Action or any other case, except that the Parties must work in good faith to submit any additional or supplemental documentation to the Court and file any additional or supplemental motions as may be reasonably necessary to secure the Final Approval of the Settlement.

65. Non-Interference with Opt-Out Procedure. The Parties and their counsel agree that they shall not seek to solicit or otherwise encourage Class Members to submit Opt-Out Requests or objections to the Settlement or to appeal from the Final Judgment.

66. Waiver of Appeal. Subject to preliminary and Final Approval of this Settlement, all Class Members, except those Class Members who make timely and valid objections pursuant to the terms of this Agreement, expressly waive the right to appeal.

67. Preliminary Timeline for Completion of Settlement. The preliminary schedule for notice, approval, and payment procedures carrying out this Settlement is set forth in the subsections below. This schedule may be modified depending on whether and when the Court grants necessary approvals and orders notice to the Class and PAGA Members, and sets further hearings. In the event of such modification, the Parties shall cooperate in order to complete the Settlement procedures as expeditiously as reasonably practicable.

a. Preliminary Approval Hearing as permitted by the Court;

b. Defendants to provide information described in Paragraph 54b (name, address, workweeks, etc.) no later than fifteen (15) days after filing of the Preliminary Approval Order;

c. The SA to mail the Class Notice by U.S. First Class mail to Class Members and PAGA Members by approximately fourteen (14) days after receipt from Defendant of the information described in the preceding subparagraph;

d. The SA to conduct trace/search efforts and send a follow up mailing, no later than ten (10) days after initial mailing, to individuals whose Class Notice was returned as undeliverable or whose listed address is found to be inaccurate or outdated;

1 e. Opt-Out Requests and Objections to the Settlement must be postmarked no
2 later than sixty (60) days after the date of initial mailing of the Class Notice;

3 f. The SA will provide to the Parties, and to the Court as directed by the
4 Parties, information regarding Opt-Out Requests and written objections or statements of intention
5 to object to the Settlement received from Class Members within seven (7) days of the close of the
6 Exclusion Period;

7 g. Class Counsel will file a timely motion for final approval of the Settlement
8 and a separate application for award of attorneys' fees and costs and an enhancement award to the
9 Named Plaintiff by the date set by the Court, or if no date is set, at least sixteen (16) court days
10 prior to the scheduled Final Approval Hearing date;

11 h. The Parties will request a Final Approval Hearing before the Court within
12 a reasonable time after the close of the Exclusion Period, or as soon thereafter as the Court will
13 hear the Motion for Final Approval. Within seven (30) days after entry of the Final Approval
14 Order and Judgment Defendant shall remit the Funding Payment to the SA.

15 i. Settlement Payments to Settlement Class Members, including the Named
16 Plaintiff, and payments to Class Counsel for litigation costs and expenses and awarded attorneys'
17 fees, and the enhancement award to Named Plaintiff, and PAGA Payments to the LWDA and
18 PAGA Members shall be made by the Settlement Proceeds Distribution Deadlines by mailing of
19 checks by First Class U.S. mail or by wire (as to Class Counsel's payments only).

20 68. Automatic Voiding of Agreement if Settlement Not Finalized. If for any reason the
21 Effective Date does not occur, the Settlement shall be null and void and the orders, judgment, and
22 dismissal to be entered pursuant to this Agreement shall be vacated; and the Parties will be returned
23 to the status quo prior to entering this Agreement with respect to the Action, as if the Parties had
24 never entered into this Agreement. In addition, in such event, the Agreement and all negotiations,
25 court orders and proceedings relating thereto shall be without prejudice to the rights of any and all
26 Parties hereto, and evidence relating to the Agreement and all negotiations shall not be admissible
27 or discoverable in the Action or otherwise in any other proceeding.

1 69. No Injunctive Relief. The Parties agree that the Settlement does not include
2 injunctive relief against Defendants or other Released Parties.

3 70. Confidentiality and Non-Disparagement.

4 a. Parties and their counsel will keep the Settlement confidential, through the
5 Court's order granting the Parties' Motion for Preliminary Approval, but the Parties will be able
6 to disclose to the Court, when and as necessary before preliminary approval, that they have
7 reached an agreement in principle, subject to completion of a final Agreement and Court approval.

8 b. Following the Court's order granting the Parties' Motion for Preliminary
9 Approval, the Parties and their counsel agree to make no comments to the media or otherwise
10 publicize the terms of the settlement on any social media or websites, except that Class Counsel
11 may post on its firm website: "The Firm settled a class action with a California company for
12 \$695,000." This shall not restrict Class Counsel from responding to inquiries posed by Class
13 Members. Further, Class Counsel may include the case name, number, and settlement information
14 in declarations setting out their qualifications as class counsel.

15 c. Named Plaintiff and Class Counsel agree to maintain the confidentiality of
16 any documents produced, formally or informally, during the course of the Action. Named
17 Plaintiff and Class Counsel agree to return to Defendants' counsel or destroy, at their option, any
18 information designated as confidential during the course of the Action, including but not limited
19 to any information and/or documents provided to Class Counsel for purposes of mediation.

20 d. Defendant shall direct all inquiries by Class Members and/or PAGA
21 Members to the SA, which shall provide general information about the lawsuit, including
22 responding to questions about the lawsuit, by providing neutral information about the agreement
23 consistent with the Agreement.

24 e. Defendant agrees it will adopt a neutral reporting policy regarding any
25 future employment inquiries related to Named Plaintiff. Thus, in the event that any potential or
26 future employers should inquire regarding Defendant's employment of Named Plaintiff, they will
27 be informed only of Named Plaintiff's dates of employment with Defendant's and job title(s)
28 during their employment with Defendant.

f. As permitted by law, Named Plaintiff agrees that he shall make no negative or derogatory statements about Defendant, or its products or services or actions towards him or others, its employees, officers, or owners, or conduct to any third person or entity, unless compelled to do so by law or required for purposes of the settlement. In the event that Named Plaintiff is subpoenaed to testify in any proceeding against Defendant or any of the other Released Parties, Named Plaintiff agrees to advise Defendant and its counsel as soon as reasonably possible in advance of the testimony date to allow Defendant a reasonable opportunity to seek appropriate relief. If prompted by anyone to discuss any dispute he had with Defendants, Named Plaintiff may simply state that "the matter has been resolved."

71. Invalidation of Agreement for Failure to Satisfy Conditions. The terms and provisions in ¶¶ 1 through 38 and 45 through 85 of this Agreement are not mere recitals, but are deemed to constitute contractual terms. The Court may allocate less to the Named Plaintiff, Class Counsel, and/or the LWDA than indicated in Paragraph 51 without impacting the validity and enforceability of the Agreement. The Court may allocate less to the SA than indicated in Paragraph 51 provided the actual amount spent by the SA is less than the maximum set forth in that Paragraph. Without limiting the generality of the foregoing, if this Agreement is terminated for failure to satisfy any material terms or material conditions of this Agreement or grounds for termination provided in this Agreement:

a. Defendants shall not be obligated to create or maintain any type of settlement fund, and shall not be obligated to make any Settlement Payment to any Class Member, PAGA Member and/or any payment to Class Counsel or to the Named Plaintiff;

b. The Agreement and all negotiations, Court orders and proceedings relating thereto shall be without prejudice to the pre-existing rights of the Named Plaintiff, PAGA Members, Class Members, and Defendant, each of whom shall be restored to their respective positions existing prior to the execution of this Agreement, and evidence relating to the Agreement and all negotiations shall not be discoverable or admissible in the Action or any other litigation;

c. Defendants will not have waived, and instead expressly reserves, its right to challenge the continuing propriety of class certification for any purpose; and

1 d. To the extent one exists, the Preliminary Approval Order shall be vacated
2 in its entirety and neither this Agreement, the Preliminary Approval Order, nor any other document
3 in any way relating to any of the foregoing, shall be relied upon, referred to or used in any way for
4 any purpose in connection with any further proceedings in this Action or any related action,
5 including class certification proceedings.

6 72. Notices. All notices, requests, demands and other communications required or
7 permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered by
8 First-Class U.S. mail to the attorneys listed in the caption above and the SA, with additional copies
9 to be sent via electronic mail.

10 73. Modification in Writing. This Agreement may be altered, amended, modified or
11 waived, in whole or in part, only in a writing signed by counsel for the Parties and approved by
12 the Court, and supersedes any memorandum of understandings or prior agreement(s). This
13 Agreement may not be amended, altered, modified or waived, in whole or in part, orally. Any
14 waiver of any provision of this Agreement shall not constitute a waiver of any other provision of
15 this Agreement unless expressly so indicated.

16 74. Ongoing Cooperation. Named Plaintiff and Defendants, and each of their
17 respective counsel, shall cooperate in good faith to execute all documents and perform all acts
18 necessary and proper to effectuate and implement the terms of this Agreement, including but not
19 limited to drafting and submitting the motions for Preliminary and Final Approval, and defending
20 the Agreement and Final Judgment against objections and appeals. Named Plaintiff shall, as
21 necessary, properly and completely take all steps, including but not limited to submitting any
22 required documents to the LWDA and take any other actions necessary to resolve the Released
23 PAGA Claims pursuant to this Agreement. The Parties to this Agreement shall use their best
24 efforts, including all efforts contemplated by this Agreement and any other efforts that may
25 become necessary by order of the Court or otherwise, to effectuate this Agreement and the terms
26 set forth herein.

27 75. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
28 they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign,

transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

76. Binding on Successors. This Agreement shall be binding and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives, including the Released Parties.

77. Entire Agreement. This Agreement constitutes the full, complete and entire understanding, agreement and arrangement between Named Plaintiff and the Class Members/PAGA Members on the one hand, and Defendants on the other hand, with respect to the Settlement of the Action and the Released Claims and Released PAGA Claims against the Released Parties, including Defendant. This Agreement supersedes any and all prior oral or written understandings, agreements and arrangements between the Parties with respect to the Settlement of the Action and the Released Claims against the Released Parties. Except those set forth and included expressly in this Agreement, there are no other agreements, covenants, promises, representations or arrangements between the Parties with respect to the Settlement of the Action and the Released Claims/Released PAGA Claims against the Released Parties. The Parties explicitly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms, and may not be varied or contradicted by extrinsic evidence, and agree that no such extrinsic oral or written representations or terms shall modify, vary, or contradict the terms of this Agreement.

78. Execution in Counterparts. This Agreement may be signed in one or more counterparts. A facsimile, scanned shall be treated as an original signature for all purposes. All executed copies of this Agreement, and photocopies thereof (including facsimile or email copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original. The Parties shall execute by hand with “wet” signatures.

79. Captions. The captions and section numbers in this Agreement are inserted for the reader’s convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Agreement.

1 80. Governing Law. This Agreement shall be interpreted, construed, enforced, and
2 administered in accordance with the laws of the State of California, without regard to conflict of
3 law rules.

4 81. Reservation of Jurisdiction. Notwithstanding the entry and filing of Final
5 Judgment, the Court shall retain jurisdiction under Section 664.6 of the Code of Civil Procedure
6 and California Rule of Court 3.769 for purposes of interpreting and enforcing the terms of this
7 Agreement.

8 82. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
9 and conditions of this Agreement. Accordingly, this Agreement shall not be construed more
10 strictly against one Party than another merely by virtue of the fact that it may have been prepared
11 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
12 between the Parties, all Parties have contributed to the preparation of this Agreement.

13 83. Warranties and Representations. With respect to themselves, each of the Parties to
14 this Agreement and/or their agents or counsel represent, covenant and warrant that (a) they have
15 full power and authority to enter into and consummate all transactions contemplated by this
16 Agreement and have duly authorized the execution, delivery and performance of this Agreement,
17 and (b) the person executing this Agreement has the full right, power and authority to enter into
18 this Agreement on behalf of the Party for whom he/she has executed this Agreement, and the full
19 right, power and authority to execute any and all necessary instruments in connection herewith,
20 and to fully bind such Party to the terms and obligations of this Agreement, except that the Parties
21 understand that the Named Plaintiff and Class Counsel only have the power to bind Class Members
22 and PAGA Members to the extent this Agreement is approved by the Court.

23 84. Representation by Counsel. The Parties acknowledge that they have been
24 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
25 and that this Agreement has been executed with the consent and advice of counsel. Further, the
26 Named Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement,
27 and that after entry by the Court of the Final Judgment, Defendant, through the SA, may distribute
28

funds to Settlement Class Members, PAGA Members, Class Counsel, and the Named Plaintiff as provided by this Agreement.

85. Authorization by Named Plaintiff. Named Plaintiff authorize Class Counsel to sign this Agreement and further agree not to request to be excluded from the Class and not to object to any terms of this Agreement. Any such Opt-Out Request or objection by Named Plaintiff shall therefore be void and of no force or effect.

86. No Impact on Arbitration Agreements. The submission of Released Claims and Released PAGA Claims to the Court is solely for the purposes settlement and shall not be deemed as an invalidation, waiver, voidance of the arbitration agreements, and shall have no negative impact on their alleged continuing validity. By failing to request exclusion with an opt-out request, any Settlement Class Member will be deemed to agree to the provisions of this Paragraph.

IT IS SO AGREED:

DATED: 11 / 22 / 2024



HARLEY COLLINS
Named Plaintiff/ Class and PAGA
Representative/Aggrieved Plaintiff

DATED: _____

GMH, INC.

By:
Its:

DATED: _____

WEST COAST POWER SOLUTIONS

By:
Its:

1 funds to Settlement Class Members, PAGA Members, Class Counsel, and the Named Plaintiff as
2 provided by this Agreement.

3 85. Authorization by Named Plaintiff. Named Plaintiff authorize Class Counsel to sign
4 this Agreement and further agree not to request to be excluded from the Class and not to object to
5 any terms of this Agreement. Any such Opt-Out Request or objection by Named Plaintiff shall
6 therefore be void and of no force or effect.

7 86. No Impact on Arbitration Agreements. The submission of Released Claims and
8 Released PAGA Claims to the Court is solely for the purposes settlement and shall not be deemed
9 as an invalidation, waiver, voidance of the arbitration agreements, and shall have no negative
10 impact on their alleged continuing validity. By failing to request exclusion with an opt-out request,
11 any Settlement Class Member will be deemed to agree to the provisions of this Paragraph.

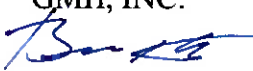
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13 **IT IS SO AGREED:**

14
15 DATED: _____

16 _____
17 HARLEY COLLINS
18 Named Plaintiff/ Class and PAGA
19 Representative/Aggrieved Plaintiff

20 DATED: 11/15/2024

21 GMH, INC.

22 

23 By: Brian Hansen
24 Its: President

25 DATED: 11/15/2024

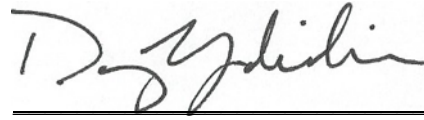
26 WEST COAST POWER SOLUTIONS

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28 By: Justin Hansen
Its: CEO

1 DATED: 12/2/24

LABOR LAW PC

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4 DANNY YADIDSION, ESQ.
5 Class Counsel/Counsel for Plaintiff
6 HARLEY COLLINS
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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF VENTURA

HARLEY COLLINS, individually and on behalf of the putative class,	)	Case No.: 2023CUOE014707
	)	
Plaintiff,	)	<u>CLASS ACTION</u>
	)	
vs.	)	<u>Assigned for All Purposes To:</u>
	)	Hon. Ben Coats
	)	Dept.: 43
GMH, INC., a corporation; WEST COAST POWER SOLUTIONS, a corporation; and DOES 1 – 50, Inclusive	)	NOTICE OF CLASS ACTION SETTLEMENT
	)	
Defendants.	)	
	)	
	)	
	)	

THIS IS AN IMPORTANT COURT APPROVED NOTICE. READ CAREFULLY.

If You Worked For GMH, Inc. or West Coast Power Solutions (the “Company Defendants”) as an hourly or non-exempt employee in the State of California at any time between September 27, 2019 through (the date of Preliminary Approval) ,

You May Be Entitled to Participate in a Class Action Settlement.

The Ventura County Superior Court approved this notice. This is not an advertisement.
You are not being sued. Your legal rights are affected, whether you act or not.

PLEASE READ THIS NOTICE.

- Harley Collins (“Plaintiff”) sued the Company Defendants on behalf of herself and others similarly situated (the “Class Members”) for the following claims: (1) failure to pay wages for all hours worked; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to reimburse business expenses; (6) failure to furnish timely and accurate wage statements; (7) failure to pay all compensation due upon discharge; (8) unfair, unlawful, or fraudulent business practices (Bus & Prof. Code §17200, et seq.); and (9) PAGA Representative Action (Labor Code §§ 2698-2699.5).
- The Court has preliminarily approved the Joint Stipulation of Class Action and PAGA Settlement and Release (the “Agreement”) between Plaintiff and Defendants, which will affect all current and former hourly and non-exempt employees, who worked for the Company Defendants in the State of California at any time between September 27, 2019 through [date of Preliminary Approval] .
- If the Court grants final approval of the Settlement, you could receive money from the settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

DO NOTHING	Stay in this Lawsuit. Receive a payment. Release certain claims. By doing nothing, you will collect a settlement award as detailed below. However, you give up certain rights to sue Defendants separately for the legal claims raised in this Lawsuit, which are being released as part of the settlement.
OBJECT TO THE SETTLEMENT	Stay in this Lawsuit. May give up certain rights. If you object to the Settlement, you will remain a member of the Class, and if the Court disagrees with your objections and approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.
ASK TO BE EXCLUDED	Get out of this Lawsuit. Receive only an Individual PAGA Payment. Release only certain claims related to PAGA. If you ask to be excluded from the Settlement, you will only receive an individual PAGA Payment and not receive any other payments from the Settlement award. You will give up certain rights to sue the Company Defendant under PAGA for claims incurred during the PAGA Period. However, you keep any rights to individually sue Defendants separately for the legal claims raised or that could have been raised in this Lawsuit.

- Regardless of the option you choose, you will not be retaliated against for exercising any of your rights, detailed above.
- Your options are explained in this notice. To object to the Settlement or ask to be excluded, you must act before _____ [Response Deadline- sixty (60) days after sent to Class Members via First Class U.S. mail].
- If you have any questions, please read on or contact Class Counsel or the Settlement Administrator, using the contact information listed below.

BASIC INFORMATION

1. Why did I get this notice?

You are not being sued. Plaintiff sued Defendants in a class and representative action on behalf of employees like you. The Company Defendant's records show that you worked for the Company Defendant in California as an hourly employee at some point between September 27, 2019 through _____[date of Preliminary Approval]. This notice explains that the Court has given preliminary approval to a settlement in a conditionally certified class and representative action lawsuit that may affect you.

The Court has determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the final fairness hearing. You have legal rights and options that you may exercise as part of this Settlement.

This Notice explains the Action, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this lawsuit about?

The Lawsuit is about Plaintiff's allegations that Defendants failed to provide Plaintiff and other hourly, non-exempt employees with legally compliant overtime wages, all wages due to discharged and quitting employees, reimbursement for work-related expenses, and minimum wage. Plaintiff further alleges that Defendants also failed to timely pay wages, failed to maintain required records and furnish accurate, itemized wage statements in violation of applicable California and Federal laws, including the California's Labor Code, California's Unfair Competition Laws, and PAGA.

No court or fact finder has made any determinations as to Plaintiff's allegations or Defendants' defenses to those allegations.

Throughout the litigation, Defendants have denied — and continue to deny — the factual and legal allegations in the case and has maintained that it has valid defenses to the claims. Plaintiff and Defendants concluded that any further litigation will be protracted and expensive for all parties. Plaintiff and Defendants have already spent time, energy, and resources litigating this case, and, unless the settlement is agreed to, will have to continue to devote time, energy and resources to the litigation of the claims asserted in this Action. Plaintiff and Defendants have voluntarily agreed to the terms of a negotiated settlement to avoid the burden and expense of continued litigation. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the Lawsuit or that the Lawsuit can or should proceed as a class action or PAGA action.

3. What is a class action and who is involved?

In a class and representative action lawsuit such as this, a person called the “Class Representative” (in this case Harley Collins) sues on behalf of other people whom he or she believes have similar claims. The people together are a “Class” or “Class Members.” The Class Representative is also called the Plaintiff. The company sued (in this case, GMH, Inc. and West Cost Solutions) are called the Company Defendants. In class action litigation, one Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

4. Why is this Lawsuit a class action?

As part of the Settlement, Plaintiff and Defendants agreed to conditionally certify the Class with respect to all of the claims Plaintiff alleged against Defendants as a class and representative action, for settlement purposes only and to ask the Court to approve the Settlement. The Court has not ruled on the merits of these claims, and the decision to conditionally certify the agreed-upon Class for settlement purposes should not be viewed as a prediction or agreement that Plaintiff or the Class would ultimately prevail on the merits of the action.

5. What are the terms of the proposed Settlement?

The major terms of the Settlement are as follows:

1. Defendants have agreed to pay \$695,000.00 to settle the claims made in this Lawsuit. This amount is also known as the “Gross Settlement Amount” or GSA.
2. Plaintiff Harley Collins has agreed to release all of her claims in the Lawsuit against Defendants.
3. Plaintiff seeks the following deductions from the \$695,000.00 Gross Settlement Amount:
 - a. Up to 35% of the Gross Settlement Amount (i.e., \$243,250.00) for Class Counsel’s attorneys’ fees.
 - b. Up to \$20,000.00 for reimbursement of Class Counsel’s litigation costs.
 - c. A Service Award of up to \$10,000.00 to Plaintiff, for filing the Lawsuit, performing work in connection with the Lawsuit, a general release of claims, and undertaking the risks of filing the Lawsuit.
 - d. Up to \$15,000.00 to cover the costs of the Settlement Administrator.
 - e. Up to \$20,000.00 for PAGA Payment. From this amount, 75% of the PAGA Payment (i.e., \$15,000.00) will be paid to California’s Labor and Workforce Development Agency (the “LWDA”). The remaining 25% of the PAGA Payment (i.e., \$5,000.00), will be allocated to the PAGA Settlement Fund, and will be distributed to all members of the Class, including those who submit Requests for Exclusion, in proportion to their Individual PAGA Payment Amounts.

If the Court approves each of the requested deductions from the Gross Settlement Amount, the Parties estimate there will be \$386,750.00 remaining. The remaining funds will be referred to as the “Net Settlement Amount.” The Individual Payment Amount for each Class Member will be calculated by the Settlement Administrator using the Class Information provided by the Company Defendant, as follows. Individual Settlement Payments shall be each Participating Claimant’s *pro rata* portion of the Class Settlement Fund (for Participating Class Members), based on his or her number of Workweeks Worked. Workweeks Worked means the number of weeks in which any amount of work was performed by a Participating Claimant during the Class Period, based on the Company Defendant’s records. The Settlement Administrator will divide the Net Settlement Amount by the total Workweeks worked by all Participating Class Members to arrive at the *pro rata* share per Workweek. Each Participating Class Member’s individual Workweeks Worked will then be multiplied by that *pro rata* share per Workweek to determine his or her estimated Individual Payment Amount.

Your estimated Individual Payment Amount is listed in Section 8 of this Notice. Each Class Member’s Individual Settlement Payment will represent wages and penalties allocated using the following formula: 40% allocated to wages for which IRS Forms W-2 will be issued, 20% allocated to interest for which IRS Forms 1099-MISC will be issued, and 40% allocated to penalties for which IRS Forms 1099-MISC will be issued. Participating Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

Additionally, the Individual PAGA Payment Amount, payable to each Class Member, including those who submit a Request for Exclusion, will be calculated by the Settlement Administrator using the Class Information provided by the Company Defendant as follows. Individual PAGA Payment Amounts shall be each Class Member’s *pro rata* portion of the PAGA Settlement Fund, based on his or her number of PAGA Workweeks Worked. PAGA Workweeks Worked means the number of weeks worked by each Class Member during the PAGA Period (defined as the period from September 26, 2022 through _____ [date of Preliminary Approval]) and used as a value to calculate Individual PAGA Payment Amounts. The Settlement Administrator will divide each Class Member’s PAGA Workweeks Worked by the total PAGA Workweeks Worked for all Class Members, resulting in a PAGA Workweek Ratio for each Class Member. Each Class Member’s PAGA Workweek Ratio will then be multiplied by the PAGA Settlement Fund to determine his or her Individual PAGA Payment Amount.

Your estimated Individual PAGA Payment Amount is listed in Section 9 of this Notice. Each Class Member’s Individual PAGA Payment Amount will represent non-wage penalties and will be reported, if required, on an IRS Form 1099 provided to each Class Member. Class Members should consult their tax advisors concerning the tax consequences of any payments they receive under the Settlement.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The “Class” includes: all current and former hourly-paid or non-exempt employees who worked for the Company Defendant in the State of California at any time between September 27, 2019 through _____, the date of the Preliminary Approval Order (the “Class Period”).

7. I’m still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting Phoenix Settlement Administrators, the “Settlement Administrator”, at the designated phone number for this matter, at (800) 523-5773 or by calling or writing the lawyers representing the Class in this case ("Class Counsel") at the phone number or address listed in Section 21.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class, or ask to be excluded from the Settlement. These options are further explained below, including any dates by which you need to take any actions.

8. What is my approximate Individual Payment Amount?

According to payroll records maintained by the Company Defendant, the total number of weeks you worked in California for the Company Defendant as an hourly/non-exempt employee, during the Class Period is _____ workweeks.

Based on information provided above, anticipated court-approved deductions, and preliminary calculations of Workweeks Worked, it is estimated your share of the Settlement will be \$_____, less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 18, below, of any changes to your mailing address for timely payment.

Settlement Payment checks returned as undeliverable, unclaimed, and/or uncashed 150 days after issuance and delivery to Class Members shall be delivered to either the California CASA Association as a *cy pres* beneficiary or the Unclaimed Property Fund maintained by the California State Controller’s Office, to be held for the relevant Class Member pursuant to California’s Unclaimed Property Law.

9. What is my approximate Individual PAGA Payment?

According to payroll records maintained by the Company Defendant, the total number of weeks you worked in California for the Company Defendant as an hourly/non-exempt employee, during the PAGA Period is _____ workweeks.

Based on the information provided above, anticipated court-approved deductions, and preliminary calculations of PAGA Workweeks Worked, it is estimated your Individual PAGA Payment will be \$ _____, less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual PAGA Payment, other than ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 21, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

If you believe your Workweeks Worked and/or estimated Individual Payment Amount shown above is not correct, you may provide documentation and/or an explanation showing contrary information directly to the Settlement Administrator by the Response Deadline. Your dispute must: (1) contain the case name and number of the Lawsuit; (2) contain your full name, address, telephone number, and last four digits of your Social Security number; (3) contain a clear statement explaining that you wish to dispute the number of Workweeks Worked calculated for you and also state the number of Workweeks Worked that you contend is correct; and (4) attach documentation demonstrating that you were not credited with the correct number of Workweeks Worked. The Settlement Administrator will attempt to resolve any dispute based upon the Company Defendant's records and any information you provide. Any disputes not otherwise resolved by the Settlement Administrator will be resolved by the Court. Any such dispute must be mailed to the Settlement Administrator no later than [DATE - sixty (60) days after sent to Class Members via First Class U.S. mail].

10. What rights am I releasing if I participate in the Settlement?

If the Court grants final approval of the Settlement and you do not opt out of the Settlement, you will be deemed to have released Defendants from all claims, rights, demands, liabilities, and causes of action that were alleged or reasonably could have been alleged based on the facts in Plaintiff's letter to the LWDA or the operative complaint (the "Operative Complaint") and the PAGA administrative remedy exhaustion letter ("PAGA Notice"), ("Released Claims"). These Released Class Claims, "Released Class Claims" include but are not limited to: (a) Failure to provide meal periods or pay premium payments for periods (see Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 226.7, 512; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, contract wages, overtime, or other amounts of wages for failing to "compensate Plaintiff and Settlement Class Members for all wages earned and all hours worked" (see Cal Labor Code §§ 510, 1194, 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) failure to timely pay wages during employment (see Labor Code § 204); (e) failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203);

(f) failure to maintain required records (see Labor Code §§ 226, 1174; IWC Wage Order No. 1-2001, § 7); (g) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); (h) Failure to reimburse business expenses (see Labor Code § 2800-2802); and (j) unfair business practices (see Bus. and Prof. Code § 17200, et seq.). “Released Claims” includes all types of relief available for the above-referenced claims, including, without limitation, any claims for damages, restitution, losses, civil and statutory penalties, fines, liens, attorneys’ fees, costs, expenses, debts, interest, injunctive relief, declaratory relief, or liquidated damages. The Final Judgment shall expressly provide that it covers and based on the doctrines of res judicata and/or collateral estoppel bars as a matter of law each and every Class Member from asserting any Settled Claims in the future, except for Class Members who have timely opted out of the Settlement.

11. What rights am I releasing regardless of whether I participate in the Settlement?

In addition to those rights discussed in Section 10, if the Court grants final approval of the Settlement, you will be deemed to have released Defendants from all PAGA Released Claims. “Released PAGA Claims” during the PAGA Period. The Released PAGA Claims include but are not limited to PAGA penalties that were alleged, or reasonably could have been alleged in the operative Complaint and the PAGA Notice based on the facts, allegations, assertions and claims in the operative Complaint and PAGA Notice, including, (a) Failure to provide or pay premium payments for meal periods (see Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 226.7, 512; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, contract wages, overtime, or other amounts of wages for failing to compensate Named Plaintiff and PAGA Members for all wages earned and all hours worked (see Cal Labor Code §§ 510, 1194, 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) failure to timely pay wages during employment (see Labor Code § 204); (e) failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203); (f) failure to maintain required records (see Labor Code §§ 226, 1174; IWC Wage Order No. 1-2001, § 7); (g) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); and (h) Failure to reimburse business expenses (see Labor Code § 2800-2802). “Released PAGA Claims” includes all types of relief available for the above-referenced claims, including, without limitation, any claims for civil penalties, attorneys’ fees, costs, and declaratory relief. The Final Judgment shall expressly provide that it covers and based on the doctrines of res judicata and/or collateral estoppel bars Plaintiff, LWDA, the State of California, and any other representative, proxy, or agent thereof, including but not limited to any and all PAGA Members from prosecuting “Released PAGA Claims” that arose during the PAGA Period.

The release of the PAGA Released Claims shall apply whether or not you participate in the Settlement. Under this release, the right of the LWDA to investigate the PAGA Released Claims is not released, but the PAGA Released Claims does include a release of claims for penalties by a Class Member under the PAGA.

12. How do I object to the Settlement?

If you would like to object to the Settlement, you must **not** submit a request for exclusion (i.e., you must not opt out), otherwise your exclusion will be processed and you will be ineligible to object. To object, you must mail or fax a written statement of objection (the “Notice of Objection”) to the Settlement Administrator at the address in Section 18 below. Any Notice of Objection must contain the following: (1) the case name and number of the Action; (2) the name, address, telephone number, and last four digits of the Social Security number of the person objecting to the Settlement; (3) a clear statement indicating that the individual seeks to object to the Settlement; (4) the specific legal and/or factual reason(s) in support of the objection; (5) a statement of whether the objector intends to appear at the Final Fairness Hearing and whether he or she is represented by counsel; and (6) the individual’s signature. You must mail or fax any Notice of Objection to the Settlement Administrator, and it must be sent/postmarked no later than [DATE] - sixty (60) days after sent to Class Members via First Class U.S. mail]. You may appear in person at the Final Fairness and Approval Hearing to present any oral objections, even if you do not submit a timely Notice of Objection.

13. Why would I ask to be excluded?

You have the right to exclude yourself from the Class (and the Settlement). If you exclude yourself from the Class — sometimes called "opting-out" of the Class — you will not get any portion of your Individual Payment Amount. However, you may then be able to sue or continue to sue Defendants for your own claims, if permitted by law. If you exclude yourself, you will still receive your Individual PAGA Payment Amount and will be legally bound by the Court's disposition of this Lawsuit with respect to the PAGA Released Claims (as discussed in Section 11, above).

14. How do I ask to be excluded from the Class?

If you are a member of the Class described above and would like to exclude yourself from the Class (“opt-out”), you, or your authorized representative, need to submit a written statement requesting exclusion from the Class (the “Request for Exclusion”) to the Settlement Administrator at the address in Section 18 below. The Request for Exclusion must contain the following: (1) the case name and number of the Lawsuit; (2) the name, address, telephone number, and last four digits of the Social Security number of the person requesting the exclusion; (3) a clear statement indicating that the Class Member seeks to exclude himself or herself from the Settlement; and (4) the Class Member’s signature. Your request for exclusion statement should state as follows: “I have received the Notice of Class, Collective, and Representative Action Settlement in the case *Harley Collins v. GMH, Inc., et al.* and I desire to be excluded from the Settlement.” The statement must be signed by you or your authorized representative and must be faxed or postmarked on or before [DATE] - sixty (60) days after sent to Class Members via First Class U.S. mail]. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. If you submit a Request for Exclusion that is not postmarked or faxed by [DATE] - sixty (60) days after sent to Class Members via First Class U.S. mail], your Request for Exclusion will be rejected, and you will be included in the Class.

Any Class Member who requests to be excluded from the Class will not be entitled to any portion of his or her Individual Payment Amount and, aside from releasing the PAGA Released Claims and receiving his or her Individual PAGA Payment Amount, will not be bound by the Settlement or have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely request for exclusion on or before [DATE - sixty (60) days after sent to Class Members via First Class U.S. mail] will be bound by all terms of the Settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court. If more than ten percent (10%) of the Class Members opt out of the Settlement, Defendants will have, in its sole discretion, the option to terminate the Settlement.

Do not submit both a Request For Exclusion and an Objection. If you submit both, the request for exclusion will be valid, and you will be excluded from the Class.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court decided that Labor Law PC are qualified to represent you and all Class Members. The law firm is called "Class Counsel" in the context of this case. The law firm's attorneys are experienced in handling similar cases against other employers. However, you may hire your own attorney at your own expense if you choose to do so.

16. How will the lawyers be paid?

As part of the Settlement with Defendants, Class Counsel has requested 35% of the Gross Settlement Amount (currently equal to \$243,250.00) in attorneys' fees, plus costs not to exceed \$20,000.00, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

17. How will the Plaintiff be paid?

As part of the Settlement with Defendants, Class Counsel has requested a Service Award payment of up to \$10,000.00 to be paid to Plaintiff, for her efforts in this matter during initial investigation, discovery, mediation and the like, while serving as the Class Representative and taking on the burden and risks of litigation.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS

18. Who is handling the Settlement Administration process?

Phoenix Class Action Administration Solutions
1411 N. Batavia, Suite 105
Orange, CA, 92867
Phone: (800) 523-5773

19. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for [DATE], at [TIME] a.m. in Department 43 of the Ventura County Superior Court, located at Hall of Justice 800 S. Victoria Ave., Ventura, CA 93009. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement, you may appear at the hearing. Please note that the hearing may be continued without further notice to the Class.

20. When will I get money after the hearing?

The Court will hold a hearing on [DATE], to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. To check on the progress of the Settlement, contact the Settlement Administrator or Class Counsel at the phone number or address listed in Section 21.

If the Court approves the Settlement and if you do not validly opt out, your individual payment set forth in Section 8 and the Individual PAGA Payment Amount set forth in Section 9 above is expected to be distributed after Defendants make payment to the Settlement Administrator. If there are no objections or appeals, within thirty (30) calendar days after the Court approves the Settlement and the Final Order is signed by the Court, Defendants will make a payment of \$625,000 (funding the Gross Settlement Amount in full), and the Settlement Administrator will make Individual Settlement Payments to the Class Members no later than fourteen (14) days thereafter.

GETTING MORE INFORMATION

21. Are more details available?

This Notice only summarizes the Lawsuit, the Settlement, and related matters. For more information, the pleadings and other records in this Lawsuit, including copies of the Operative Complaint and Settlement Agreement, may be examined at any time during regular business hours at the office of the Clerk of the Superior Court of the State of California for Ventura County Superior Court, located at Hall of Justice, 800 S. Victoria Ave., Ventura, CA 93009.

To access the Orange County Court docket in California, visit the Orange County Superior Court website at <https://www.ventura.courts.ca.gov> and navigate to the "Case Inquiry" section. Click the "Civil, Probate & Small Claims Case inquiries". You may then use the case access tool by entering the case number, which is 2023CUO014707. After initiating the search, review the case details and docket entries provided. If you need further assistance or encounter issues, contact the Ventura County Superior Court Civil Division at 805-289-8525 or visit the court in person at the above-mentioned address.

Any questions regarding this Class Notice or the Lawsuit may be directed to the Settlement Administrator at the below address and telephone number. Alternatively, you may contact your

own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address, telephone number or email address set forth below. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

Settlement Administrator:

Phoenix Settlement Administrators
1411 N. Batavia, Suite 105,
Orange, CA 92867
Phone: (800) 523-5773

Class Counsel:

Danny Yadidsion
LABOR LAW PC
100 Wilshire Blvd., Suite 700
Santa Monica, California 90401
Telephone: (310) 494-6082
Danny@LaborLawPC.com

PLEASE DO NOT CALL OR WRITE TO THE JUDGE OR TO THE COURT OR CLERK OF THE COURT, OR TO ANY OF DEFENDANTS' MANAGERS, SUPERVISORS, OR DEFENDANTS' ATTORNEYS WITH QUESTIONS.