CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiffs Juana Matias, Carmen Fernandez, Yolanda Membreno de Ayala, Maria Rodriguez de Paz, Heriberto Chavez Rodriguez, Hannah Knoerzer, and Graciela Lopez, (collectively, "Plaintiffs") individually and on behalf of the putative class, the State of California, and the allegedly aggrieved employees, and defendants Hospitality Staffing Solutions, LLC ("HSS") and Kellermeyer Bergensons Services, LLC ("KBS") (collectively, "Defendants"). The Agreement refers to Plaintiffs and Defendants collectively as "Parties," or each individual Plaintiff or Defendant as a "Party."

1. <u>DEFINITIONS</u>.

1.1. "Actions" means the Plaintiffs' lawsuits alleging wage and hour violations against Defendants captioned:

1.1.1 *Matias, et al. v. Hospitality Staffing Solutions, LLC, et al.*, Santa Cruz Superior Court, Case No. 23CV00490 ("Matias Action").

1.1.2 *Knoerzer v. Hospitality Staffing Solutions, Inc. LLC, et al.*, Riverside County Superior Court Case No. CVRI2204503 ("Knoerzer Action").

1.1.3 *Heriberto Chavez Rodriguez v. Montage Laguna Beach, LLC, et al.*, Orange County Superior Court Case No. 30-2023-01300904-CU-OE-CXC ("Chavez Action"); and *Heriberto Chavez Rodriguez v. Montage Laguna Beach, LLC, et al.*, Orange County Superior Court Case No. 30-2023-01312472-CU-OE-CXC (collectively, the "Chavez Action").

1.1.4 *Graciela Lopez v. Kellermeyer Bergensons Services, LLC*, Santa Clara Superior Court Case No. 23CV426594; and *Graciela Lopez v. Kellermeyer Bergensons Services, LLC,* Tulare Superior Court Case No. VCU304923 (collectively, the "Lopez Action").

1.2. "Administrator" means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. "Aggrieved Employee(s)" means and refers to all HSS Aggrieved Employees and KBS Aggrieved Employees.

1.5. "Class" or "Class Member" mean and refer to all HSS Class Members and KBS Class Members.

1.6. "Class Counsel" means James Hawkins APLC, Capstone Law APC, Bibiyan Law Group, P.C., and Haines Law Group, APC.

1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.8. "Class Data" means Class Member identifying information in Defendants' possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks.

1.9. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.10. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.11. "Class Period" means (i) as to KBS Class Members, the period from January 20, 2022 through December 26, 2024, and (ii) as to HSS Class Members, the period from November 9, 2021 through December 26, 2024.

1.12. "Class Representatives" means the named plaintiffs Juana Matias, Carmen Fernandez, Yolanda Membreno de Ayala, Maria Rodriguez de Paz, Heriberto Chavez Rodriguez, Hannah Knoerzer, and Graciela Lopez in the operative complaint in the Actions seeking Court approval to serve as Class Representatives.

1.13. "Class Representative Service Payment(s)" means the payments to the Class Representatives for initiating the Actions and providing services in support of the Actions.

1.14. "Court" means the Superior Court of California, County of Santa Cruz.

1.15. "Defendants" means and refers to Hospitality Staffing Solutions, LLC and Kellermeyer Bergensons Services, LLC.

1.16. "Defense Counsel" means Shareef S. Farag and Nicholas D. Poper of Baker & Hostetler LLP.

1.17. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the

Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.18. "Final Approval" means the Court's order granting final approval of the Settlement.

1.19. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.20. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.21. "Gross Settlement Amount" means Nine Million Seven Hundred Fifty Thousand Dollars and Zero Cents ($9,750,000.00), which is the total amount Defendants agree to pay, can ever be required to pay, or can ever cause to be paid, under the Settlement except as provided in Paragraph 9 below and excluding employer payroll taxes owed on the wage portions of the Individual Class Payments. The Gross Settlement Amount will be paid in four equal payments of $2,437,500 and will be used to fund the following payments: Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administration Expenses Payment.

1.22. "HSS Aggrieved Employee(s)" mean all current and former non-exempt, hourly paid employees who worked for HSS in California at any time during the PAGA Period.

1.23. "HSS Class Member(s)" means all current and former non-exempt, hourly paid employees who worked for HSS in California at any time during the Class Period.

1.24. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.25. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.26. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.27. "KBS Aggrieved Employee(s)" means all current and former non-exempt, hourly paid employees who worked for KBS in California at any time during the PAGA Period.

1.28. "KBS Class Member(s)" means all current and former non-exempt, hourly paid employees who worked for KBS in California at any time during the Class Period.

1.29. "LWDA" means the California Labor and Workforce Development Agency.

1.30. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699(i).

1.31. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.32. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.33. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq*.).

1.34. "PAGA Period" means (i) as to KBS Aggrieved Employees, the period from January 20, 2022 through December 26, 2024, and (ii) as to HSS Aggrieved Employees, the period from November 9, 2021 through December 26, 2024.

1.35. "PAGA Notices" means all of the following: Plaintiff Hannah H. Knoerzer's October 14, 2022, letter to HSS, KBS, Staffing Solutions, LLC, HIS Hospitality Services, Inc., and the LWDA; Yolanda Membreno de Ayala's March 30, 2023, letter to HSS, KBS, and the LWDA; Plaintiff Carmen Chavez Fernandez's March 30, 2023, letter to HSS, KBS, and the LWDA; Plaintiff Juana Matias' March 30, 2023, letter to HSS, KBS, and the LWDA; Maria Rodriguez de Paz's July 26, 2022, letter to HSS, KBS, and the LWDA; Heriberto Chavez Rodriguez's January 9, 2023, letter to HSS, Montage, and the LWDA; and Graciela Lopez's September 25, 2023, letter to KBS and the LWDA.

1.36. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($50,000.00) and the 75% to LWDA ($150,000.00) in settlement of PAGA claims.

1.37. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.38. "Plaintiffs" means Juana Matias, Carmen Chavez Fernandez, Yolanda Membreno de Ayala, Hannah H. Knoerzer, Heriberto Chavez Rodriguez, Maria Rodriguez de Paz, and Graciela Lopez, the named Plaintiffs in the Actions.

1.39. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.40. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of the Settlement.

1.41. "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.42. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.43. "Released Parties" means: HSS, KBS, Walgreens Specialty Pharmacy, LLC, and Montage Laguna Beach, LLC, and each of their past and present corporate affiliates, subsidiaries, divisions, related entities, divested business and business units, and the board members, directors, officers, shareholders, owners, employees, agents, representative, attorneys, insurers, predecessors, successors, assigns, and/or any other persons acting on their behalf.

1.44. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the release of class action claims signed by the Class Member.

1.45. "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.46. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.47. "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.48. "Workweek" means any week during which a Class Member or Aggrieved Employee worked for Defendants for at least one day, during the Class Period. All Class Members will be deemed to have worked during at least one Workweek during the Class Period, and all Aggrieved Employees will be deemed to have worked during at least one Workweek during the PAGA Period.

2. RECITALS.

2.1. On October 14, 2022, Plaintiff Hannah H. Knoerzer filed a purported Class Action Complaint against HSS and Walgreens Specialty Pharmacy, LLC (erroneously sued as "Walgreen Specialty Pharmacy, LLC") alleging claims for: (1) violation of the Fair Credit Reporting Act for failure to make proper disclosures; (2) violation of the Fair Credit Reporting Act for failure to obtain proper authorization; (3) failure to make proper disclosures in violations of ICRAA; (4) failure to pay minimum wages; (5) failure to pay overtime; (6) failure to provide meal breaks; (7) failure to provide rest breaks; (8) failure to timely pay wages during employment; (9) failure to timely pay wages at separation; (10) failure to furnish accurate itemized wage statements; and (11) unfair competition in violation of California Business and Professions Code, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (the "UCL"). On December 21, 2022, Plaintiff Knoerzer filed a First Amended Complaint adding a cause of action for civil penalties pursuant to the PAGA. On January 20, 2023, HSS filed a Notice of Removal to the United States District Court for the Central District of California. On April 11, 2024, the Court granted the parties' stipulation for dismissal of the class claims, to compel

Plaintiff's individual clams to arbitration, and to stay the representative PAGA claim pending completion of arbitration.

2.2. On January 10, 2023, Plaintiff Heriberto Chavez Rodriguez filed a purported Class Action Complaint against HSS and Montage Laguna Beach, LLC in Orange County Superior Court alleging claims for: (1) failure to pay overtime; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages at separation; (7) failure to furnish accurate itemized wage statements; (8) failure to indemnify business expenditures; and (9) unfair competition in violation of the UCL. On March 15, 2023, Plaintiff Heriberto Chavez Rodriguez filed a related representative PAGA complaint alleging claims for civil penalties predicated on the same alleged Labor Code violations as the class action complaint as well as claims premised on the failure to provide employment records, failure to provide notice required under Labor Code Section 2810.5, failure to provide the proper accrual and use of sick leave, and failure to pay out paid time off and vacation wages at the proper rate of pay.

2.3. On February 28, 2023, Plaintiffs Juana Matias, Carmen Chavez Fernandez, and Yolanda Membreno de Ayala brought a Class Action Complaint against HSS and KBS. The Class Action Complaint brought claims for: (1) failure to pay minimum wages; (2) failure to pay overtime; (3) failure to provide meal breaks; (4) failure to provide rest breaks; (5) failure to timely pay wages during employment; (6) failure to timely pay wages at separation; (7) failure to furnish accurate itemized wage statements; (8) failure to maintain payroll records; (9) failure to provide reporting time pay; (10) failure to indemnify business expenditures; and (11) unfair competition and unlawful business practices in violation of the UCL. On June 6, 2023, Plaintiffs filed a First Amended Complaint adding a cause of action for civil penalties pursuant to the PAGA. On January 22, 2024, Plaintiffs filed a Second Amended Complaint adding Maria Rodriguez de Paz as a Plaintiff on behalf of Aggrieved Employees under the PAGA.

2.4. On November 30, 2023, Plaintiff Graciela Lopez brought a PAGA Representative Action against KBS in Santa Clara County Superior Court for civil penalties based on underlying Labor Code violations for: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to indemnify business expenditures; (4) failure to timely pay wages at separation; (5) failure to provide accurate and itemized wage statements; and (6) unfair competition in violation of the UCL. On January 5, 2024, Plaintiff Graciela Lopez brought a Class Action Complaint against KBS in Tulare County Superior Court for: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to indemnify business expenditures; (4) failure to timely pay wages at separation; (5) failure to provide accurate and itemized wage statements; and (6) unfair competition in violation of the UCL.

2.5. On September 27, 2024, the Parties participated in an all-day global mediation presided over by experienced wage and hour mediator, Michael E. Dickstein, Esq., which ultimately led to this Agreement to settle the Action. The Parties believe this Settlement is a fair, adequate and reasonable settlement of the Actions and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential. The Parties to this Agreement are represented by competent counsel, and they have had an opportunity to consult with counsel prior to its execution.

2.6. Prior to mediation, Plaintiffs obtained, through informal discovery, information and documents regarding time and attendance, payment of wages and overtime, meal and rest periods, paid sick leave, expense reimbursements, and the production of timekeeping and payroll data by Defendants in response to informal requests for purposes of mediation. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.7. The Court in each of the Actions has not granted class certification as no motion for class certification has been filed in the Actions.

2.8. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided, Defendants promise to pay a total sum of Nine Million Seven Hundred Fifty Thousand Dollars ($9,750,000.00) as the Gross Settlement Amount, and will separately pay any and all employer payroll taxes owed on the wage portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.2 of this Agreement. The Gross Settlement Amount will be paid in four equal payments of $2,437,500 beginning thirty (30) days after the Court grants Final Approval of the Settlement, with the final payment to be made no later than June 1, 2026. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than Ten Thousand Dollars ($10,000.00) to each Class Representative for their effort in bringing and prosecuting this matter, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendants will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves an amount of Class Representative Service Payments that is less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$3,250,000.00 and a Class Counsel Litigation Expenses Payment representing Class Counsel's actual and reasonable litigation costs and expenses up to \$55,000.00. Defendants will not oppose requests for these payments provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$75,000.00, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than \$75,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by the total Workweeks worked by each Participating Class Member during the Class Period.

3.2.4.1. Tax Allocation of Individual Class Payments. 15% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 85% of each Participating

Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $200,000 to be paid from the Gross Settlement Amount, with 75% ($150,000) allocated to the LWDA PAGA Payment and 25% ($50,000) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($50,000.00) by the total number of Workweeks worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each Aggrieved Employee's Workweeks worked during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Data. Not later than 30 days after Defense Counsel's receipt of the Court's Order granting Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.2. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, including all amounts necessary to fully pay Defendants' share of payroll taxes, by transmitting the funds in four equal payments to the Administrator beginning thirty (30) days after the Effective Date, with final payment to be made no later than June 1, 2026.

4.3. Payments from the Gross Settlement Amount. Within 14 days after Defendants fully fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.3.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees and including those Aggrieved Employees for whom Class Notice was returned undelivered. The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.2. The Administrator must conduct a Class Member Address Search for all other Participating Class Members and Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.3.3. For any Participating Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member and/or Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384 (b).

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

5. **RELEASES OF CLAIMS**. Effective on the date when Defendants fully fund the entire Gross Settlement Amount and all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Participating Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from any and all claims and/or theories of liability that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions, including any claims and/or theories of liability raised during mediation, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, claims for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices, and all claims for civil penalties or other remedies recoverable under Labor Code § 2698 *et seq.* (PAGA). The release shall include claims arising under California Labor Code §§ 96, 98.6, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1102.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, California Code of Regulations, Title 8, § 11000 *et seq.*, and California Business & Professions Code §§ 16600, 16700, and 17200 *et seq*.

5.2. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release only, each Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.3. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties from any and all claims and/or theories of liability that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, claims for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices. The release shall include claims arising under California Labor Code §§ 96, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, California Code of Regulations, Title 8, § 11000 *et seq.*, and California Business & Professions Code §§ 17200 *et seq.*

5.4. Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all claims and/or theories of liability for PAGA civil penalties that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, PAGA civil penalties for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices, and all claims for civil penalties or other remedies recoverable under Labor Code § 2698 *et seq.* (PAGA). The release shall include claims arising under California Labor Code §§ 96, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, and California Code of Regulations, Title 8, § 11000 *et seq.*

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Defendants' Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their

Declarations, Defense Counsel and Defendants shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699 (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; and (iii) a draft proposed Class Notice.

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 16 court days prior to the date reserved for the hearing on the Motion for Preliminary Approval; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator and submitting copies of the Motion for Preliminary Approval of the Settlement to the LWDA on the same day that it is filed with the Court.

6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Defendants represent that Class Members worked approximately 682,092 Workweeks between November 9, 2021 and September 27, 2024. In the event that the actual number of Workweeks worked between November 9, 2021 and December 26, 2024 (the end of the Class Period) increases by more than ten percent (10%) above 682,092, Defendants will at their option either (a) agree to increase the Gross Settlement Amount on a proportional basis for the percentage increase over ten percent (10%) (for example, if the number is 11% higher, the Gross Settlement Amount will be increased by 1%), or (b) agree to shorten and close the Class Period and PAGA Period on the date that is closest to without exceeding 750,301 Workweeks so as to eliminate the need to increase the Gross Settlement Amount. Defendants must notify Class Counsel and the Court of its 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.

8. **SETTLEMENT ADMINISTRATION.**

8.1 Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, CPT Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a QSF under US Treasury Regulation section 468B-1.

8.4 Notice to Class Members.

8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, and Workweeks in the Class Data.

8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Members' addresses using the National Change of Address database. The Class Notice shall be provided in English and Spanish.

8.4.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

8.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks, and Requests for Exclusion will be extended an additional 14 days beyond the Response Deadline otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.4.5 If the Administrator, Defendants, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after their respective receipt of Class Notice, or the Response Deadline in the Class Notice, whichever are later.

8.5 <u>Class Members' Requests for Exclusion (Opt-Outs).</u>

8.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline – *i.e.*, 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 6.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved

Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweek. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks allocated to the Class Members and Aggrieved Employees in the Class Notice. The Class Member and/or Aggrieved Employee may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member or Aggrieved Employee's allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Class Action Component of Settlement.

8.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. Participating Class Members may also choose to appear in Court (or hire an attorney to appear in Court at the Participating Class Member's own expense) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the

Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval Order and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.8.4 Workweek Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

8.8.5 Administrator's Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

8.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the

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

9. **DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the Class, Defendants may, but are not required to, 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 up to that time. Defendants must notify Class Counsel and the Court of their election to withdraw no later than 7 business days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699 (l), a Proposed Final Approval Order, and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

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

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. CONDITIONS PRECEDENT TO EFFECTIVENESS OF SETTLEMENT.

12.1 Solely for purposes of facilitating this Settlement of the Actions on a consolidated basis, in a single action for Court approval, the Parties agree that: (i) they will take all necessary action to ensure that the Knoerzer, Rodriguez, and Lopez Actions are dismissed or consolidated with the Matias Action in Santa Cruz County Superior Court for settlement purposes only; (ii) they will file a Stipulation for Order Granting Leave to Amend the Complaint in the Matias Action to include all class and representative PAGA claims currently alleged in the Actions, along with any additional class and representative claims based on the theories of liability and alleged California Labor Code violations currently alleged in the Actions, on behalf of all Class Members and Aggrieved Employees; and (iii) Plaintiffs will dismiss the Knoerzer, Rodriguez, and Lopez Actions within five (5) business days of the Court's order granting Final Approval of the Settlement. The Amended Consolidated Complaint is the operative complaint in the Actions (the "Operative Complaint"). The Parties agree to cooperate to the extent necessary to combine the Actions in this manner with the Court. The Parties agree that Defendants are not required to file a response to the Operative Complaint and maintain all available defenses to the allegations in the Operative

Complaint.

12.2 If the Court denies entry of Final Approval of the Settlement, or Defendants void the Settlement pursuant to ¶ 9, or the Settlement does not become effective for any reason, the following will occur:

12.2.1 The Parties' stipulation to the filing of the Operative Complaint will be deemed revoked as of the date the Court denies entry of Final Approval, or as of the date that Defendants voids the Settlement, or if the Settlement is void for any other reason than as of the date it is void for such reason, the Operative Complaint will be deemed stricken; and

12.2.2 The status of each of the Actions will be deemed to return to their status at the time immediately prior to mediation, as if the Parties had never executed this Settlement and as if the Operative Complaint had never been filed. Upon such occurrence, the period between mediation and the Court's denial of Final Approval of Settlement will be treated as a full stay on all proceedings for purposes of calculating all required filing and trial deadlines.

12.2.3 To the extent required by any court or otherwise necessary, Plaintiffs will take all necessary steps to give effect to ¶ 12.2.

13. ADDITIONAL PROVISIONS.

13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaints have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation, except for proceedings to enforce or effectuate the Settlement and this Agreement.

13.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this

Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

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

13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

13.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

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

13.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this

Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

13.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

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

13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

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

13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.

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

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

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

To Plaintiffs:

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13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

____________________________ Date:________________________
Juana Matias, Plaintiff

____________________________ Date:________________________
Carmen Fernandez, Plaintiff

Firmado por:
08571347695644F...
____________________________ Date: 7/14/2025
Yolanda Membreno de Ayala, Plaintiff

____________________________ Date:________________________
Maria Rodriguez de Paz, Plaintiff

To Defendants:

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sfarag@bakerlaw.com
Nicholas D. Poper
npoper@bakerlaw.com
Matthew J. Goodman
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Matthew P. Eaton
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Baker & Hostetler, LLP
1900 Avenue of the Stars, Suite 2700
Los Angeles, CA 90067
Telephone: 310-820-8800
Facsimile: 310-820-8859

13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

______________________________ Date:______________________
Juana Matias, Plaintiff

______________________________ Date:______________________
Carmen Fernandez, Plaintiff

______________________________ Date:______________________
Yolanda Membreno de Ayala, Plaintiff

Signed by:
Maria De Paz Rodriuez
5F419A7DFABC4B7...
______________________________ Date: 7/9/2025
Maria Rodriguez de Paz, Plaintiff

To Defendants:

Shareef S. Farag
sfarag@bakerlaw.com
Nicholas D. Poper
npoper@bakerlaw.com
Matthew J. Goodman
mgoodman@bakerlaw.com
Matthew P. Eaton
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______________________________ Date:__________________________
Juana Matias, Plaintiff

Signed by:
Carmen Chavez Fernandez ____ Date: 7/9/2025
D55A21EADEBF458...
Carmen Fernandez, Plaintiff

______________________________ Date:__________________________
Yolanda Membreno de Ayala, Plaintiff

______________________________ Date:__________________________
Maria Rodriguez de Paz, Plaintiff

To Defendants:

Shareef S. Farag
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Signed by:
Juana Matias
BEFC29B48BB74C9...
Juana Matias, Plaintiff — Date: 7/9/2025

____________________________ Date: ________________________
Carmen Fernandez, Plaintiff

____________________________ Date: ________________________
Yolanda Membreno de Ayala, Plaintiff

____________________________ Date: ________________________
Maria Rodriguez de Paz, Plaintiff

Date:____________________

Heriberto Chavez Rodriguez, Plaintiff

Hannah Knoerzer
Hannah Knoerzer (Jul 9, 2025 12:37 PDT)

Date: 07/09/25

Hannah Knoerzer, Plaintiff

Date:____________________

Graciela Lopez, Plaintiff

Van Andres

Date: 8/5/25

Name:
On behalf of Hospitality Staffing Solutions, LLC

Van Andres

Date: 8/5/25

Name:
On behalf of Kellermeyer Bergensons Services, LLC

______________________________ Date:__________________________

Heriberto Chavez Rodriguez, Plaintiff

______________________________ Date:__________________________

Hannah Knoerzer, Plaintiff

Graciela Lopez
Graciela Lopez (Jul 9, 2025 09:04 PDT) Date: July 9, 2025

Graciela Lopez, Plaintiff

Van Andres Date: 8/5/25

Name:

On behalf of Hospitality Staffing Solutions, LLC

Van Andres Date: 8/5/25

Name:

On behalf of Kellermeyer Bergensons Services, LLC

Heriberto Chávez Rodriguez (Jul 16, 2025 18:07 PDT)

Heriberto Chavez Rodriguez, Plaintiff

Date: 7/16/2025

Hannah Knoerzer

Hannah Knoerzer (Jul 9, 2025 12:37 PDT)

Hannah Knoerzer, Plaintiff

Date: 07/09/25

Graciela Lopez, Plaintiff

Date:

Van Andres

Name:
On behalf of Hospitality Staffing Solutions, LLC

Date: 8/5/25

Van Andres

Name:
On behalf of Kellermeyer Bergensons Services, LLC

Date: 8/5/25

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE FOR FINAL APPROVAL HEARING

Matias, et al. v. Hospitality Staffing Solutions, LLC, et al.

(County of Santa Cruz, California Superior Court Case No. 23CV00490)

As a current or former non-exempt, hourly-paid California employee of defendants Hospitality Staffing Solutions, LLC or Kellermeyer Bergensons Services, LLC., you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement fund.

You have received this Notice of Class Action Settlement because the records of defendants Hospitality Staffing Solutions, LLC ("HSS") and Kellermeyer Bergensons Services, LLC ("KBS" and with HSS, "Defendants"), show that you are a "Class Member" and, therefore, entitled to a payment from this class action settlement. Class Members are all current and former non-exempt, hourly-paid employees who worked for Defendants in California at any time during the period from January 20, 2022 through December 26, 2024 for employees of KBS and from November 9, 2021 ("KBS Class Period") through December 26, 2024 for employees of HSS ("HSS Class Period" and with KBS Class Period hereinafter, the "Class Period").

- The settlement is to resolve a class action lawsuit, *Matias, et al. v. Hospitality Staffing Solutions, LLC, et al.*, pending in the Superior Court of California for the County of Santa Cruz, Case Number 23CV00490 (the "Lawsuit"), alleging: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or compensation in lieu thereof; (4) failure to provide rest periods or compensation in lieu thereof; (5) failure to pay all wages due upon separation from employment; (6) failure to provide accurate wage statements; and (10) engaging in unfair competition within the meaning of Business and Professions Code section 17200. Plaintiffs also seek civil penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA") for alleged violations of the Labor Code, among other claims.

- On ___________, the Santa Cruz County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendants vigorously deny the claims in the Lawsuit and contend that it fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you worked at any time during the period from January 20, 2022 through December 26, 2024 for KBS or from November 9, 2021 through December 26, 2024 for HSS ("PAGA Period") as a non- exempt, hourly-paid

	employee, as well, then you will be deemed as "Aggrieved Employee" and you will still receive your share of the proceeds available from the settlement of the Released PAGA Claims, defined below, (your "Individual PAGA Payment") even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, ________________, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for _____________ in Department 10 of the Santa Cruz Superior Court located at 701 Ocean Street Santa Cruz, CA 95060.

The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement will be held on _____________, in the Santa Cruz Superior Court located at 701 Ocean Street Santa Cruz, CA 95060, in Department 10. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendants' records show that you currently work, or previously worked, for Defendants, as an hourly-paid, non-exempt employee in the State of California at some point during the Class Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them and how to get them.

What is This Case About?

Juana Matias, Carmen Fernandez, Yolanda Membreno de Ayala, Maria Rodriguez de Paz, Heriberto Chavez Rodriguez, Hannah Knoerzer, and Graciela Lopez were hourly-paid, non-exempt employees of Defendants. They are the "Plaintiffs" in this case are suing on behalf of themselves and Class Members for, among other claims, Defendants; failure to pay overtime wages, failure to pay minimum wages, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to pay all wages due upon separation from employment, failure to provide accurate wage statements, and engaging in unfair competition within the meaning of Business and Professions Code section 17200.

Based on the alleged Labor Code violations above-mentioned and other alleged Labor Code violations, Plaintiffs also seek penalties under California Labor Code Private Attorneys General Act ("PAGA"). Defendant denies all the allegations made by Plaintiff and denies that it violated any law.

The Court has made no ruling on the merits of Plaintiffs' claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiff and Defendant have agreed to settle this case on behalf of themselves and Class Members and Aggrieved Employees for the Gross Settlement Amount of $9,750,000.00, unless increased pursuant to the Settlement Agreement. The Gross Settlement includes (1) Administration Costs up to $75,000.00; (2) a service award of not more than $10,000.00 to each of the Plaintiffs, for a total amount of $70,000.00 to Plaintiffs, for their time and effort in pursuing this case; (3) up to one-third (1/3) of the Gross Settlement Amount in attorneys' fees which, unless increased pursuant to the Settlement Agreement, amounts to $3,250,000.00; (4) up to $70,000.00 in litigation costs to Class Counsel, according to proof; and (5) payment allocated to PAGA penalties in the amount of $200,000.00 of the Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA, or $150,000.00, will be paid to the LWDA and twenty-five percent (25%), or $50,000.00, will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than $6,155,000.00 will be available for distribution to Class Members ("Net Settlement Amount")

The settlement is based on Defendants' representation that Class Members worked approximately 682,092 Workweeks between November 9, 2021 and September 27, 2024. In the event that the actual number of Workweeks worked between November 9, 2021 and December 26, 2024 (the end of the Class Period) increases by more than ten percent (10%) above 682,092, Defendants will at their option either (a) agree to increase the Gross Settlement Amount on a proportional basis for the percentage increase over ten percent (10%) (for example, if the number is 11% higher, the Gross Settlement Amount will be increased by 1%), or (b) agree to shorten and close the Class Period and PAGA Period on the date that is closest to without exceeding 750,301 Workweeks so as to eliminate the need to increase the Gross Settlement Amount.

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks worked by Participating Class Members in hourly-paid, non-exempt positions for Defendant in California during the Class Period ("Eligible Workweeks"). Specifically, Class Members' payments will be calculated by dividing the Net Settlement Amount by the total number of Eligible Workweeks worked by all Participating Class Members during the Class Period, multiplied by the number of Eligible Workweeks attributed to the Class Member. Otherwise stated, the formula for a Class Member is: (Net Settlement Amount / total Settlement Class Eligible Workweeks) × Individual's Eligible Workweeks. In addition, Class Members who worked during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the $50,000.00 allocated to Aggrieved Employees as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Period.

Defendants' records indicate that you worked [Eligible Workweeks] Workweeks as a non-exempt, hourly-paid employee in California during the Class Period and [Eligible Pay Periods] Pay Periods during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [$Estimated Award] and your estimated payment as an Aggrieved Employee would be [$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than [Response Deadline]. Please include any documentation you have that you contend supports your dispute. You should send copies rather than originals because the documents will not be returned to you.

Tax Reporting

100% of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099. 15% of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and 85% will be allocated as penalties and interest reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Your check will be valid for 180 days after issuance. After 180 days, uncashed checks will be cancelled and the funds associated will be transmitted to the California State Controller's Unclaimed Property Fund in your name.

Your Options Under the Settlement

Option 1 – *Do Nothing and Receive Your Payment*

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member.. If you do not timely and properly dispute your settlement share calculation, the settlement share determined by the Settlement Administrator shall be deemed final and, thus, not subject to any subsequent dispute by you, and you shall be paid that settlement amount. If you do not timely and properly opt out of the settlement, you will be bound by the entire release in the settlement and receive your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an Aggrieved Employee. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above**.

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all "Released Claims" he or she may have or had upon final approval of this Settlement and payment by Defendants to the Settlement Administrator.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount and all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Participating Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

Released Class Claims: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties from any and all claims and/or theories of liability that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, claims for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices. The release shall include claims arising under California Labor Code §§ 96, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, California Code of Regulations, Title 8, § 11000 et seq., and California Business & Professions Code §§ 17200 *et seq*.

Release PAGA Claims: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all claims and/or theories of liability for PAGA civil penalties that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, PAGA civil penalties for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices, and all claims for civil penalties or other remedies recoverable under Labor Code § 2698 et seq. (PAGA). The release shall include claims arising under California Labor Code §§ 96, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, and California Code of Regulations, Title 8, § 11000 et seq.

"Released Parties" means HSS, KBS, Walgreens Specialty Pharmacy, LLC, and Montage Laguna Beach, LLC, and each of their past and present corporate affiliates, subsidiaries, divisions, related entities, divested business and business units, and the board members, directors, officers, shareholders, owners, employees, agents, representative, attorneys, insurers, predecessors, successors, assigns, and/or any other persons acting on their behalf.

Option 2 – *Opt Out of the Settlement*

If you do not wish to receive your Individual Settlement Payment or release the Released Class Claims, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must include your name, address, email address or telephone number, last four (4) digits of your Social Security Number, your signature, and any statement standing for the proposition that you do not wish to participate in the settlement. Sign, date, and mail your written request for exclusion to the address below.

CPT Group
[Mailing Address]

To be valid, your written request for exclusion must be mailed and postmarked to the Administrator not later than [RESPONSE DEADLINE].

The proposed settlement includes the settlement of the Released PAGA Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are an Aggrieved Employee, you will still receive your Individual PAGA Payment and will be deemed to have released the Released PAGA Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Released Class Claims.

Option 3 – *Submit an Objection to the Settlement*

If you wish to object to the Settlement, you may submit an objection in writing by mail, stating why you object to the Settlement. Your written objection must provide your name, address, signature, telephone number, last four (4) digits of your Social Security Number, and a statement of whether you plan to appear at the Final Approval Hearing, and a statement of the reason(s), along with whatever legal authority, if any, why you believe that the

Court should not approve the Settlement. Your written objection must be mailed to the Administrator no later than [RESPONSE DEADLINE]. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Even if you don't submit a written objection, you may appear at the Final Approval Hearing and provide a verbal objection before the Court.

Final Approval Hearing

You may, if you wish, appear at the Final Approval Hearing set for __________ at _____ _.m. in Department 10 of the Santa Cruz Superior Court located at 701 Ocean Street Santa Cruz, CA 95060, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may attend this hearing virtually by audio or video at https://lacourt.org/. You may also retain an attorney to represent you at the Hearing at your own expense.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at [PHONE NUMBER] or Class Counsel, whose information appears below:

BIBIYAN LAW GROUP, P.C.
David D. Bibiyan
david@tomorrowlaw.com
Vedang J. Patel
vedang@tomorrowlaw.com
1460 Westwood Boulevard
Los Angeles, California 90024
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El Segundo, California 90245
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Fax: (424) 292-2355

You may also visit the Settlement Administrator's website at [WEBSITE] to gain access to key documents in this case, including the Settlement Agreement, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Santa Cruz Superior Court located at 701 Ocean Street Santa Cruz, CA 95060, in Department 10, during regular business hours of each court day. You may also obtain these documents through the Court's website at https://www.santacruz.courts.ca.gov/online-services/case-lookup.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS, OR DEFENDANTS' ATTORNEYS WITH INQUIRIES.