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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN JOAQUIN

ANDREA ZUNIGA, as an individual and on behalf of all others similarly situated, Plaintiff, vs. COAST PROFESSIONAL, INC.; and DOES 1 through 50, inclusive, Defendants.	Case No.: STK-CV-UOE-2023-9784 [Assigned for all purposes to the Hon. George J. Abdallah, in Department 10A] **DECLARATION OF KRISTEN M. AGNEW IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT** Date: March 26, 27, 28, 2025 or April 2, 3, 2025 Time: 9:00 a.m. Dept.: 10A

I, Kristen M. Agnew, declare as follows:

1. I am an attorney at law, duly licensed to practice before all Courts in the State of California, and am with the law firm Diversity Law Group, P.C., counsel of record for Plaintiff Andrea Zuniga ("Class Representative" or "Plaintiff"). I have personal knowledge of the facts set forth below and if called to testify I could and would do so competently.

RELEVANT PROCEDURAL HISTORY

2. From the inception of the case, Class Counsel has zealously represented the interests of the Class. I have no conflicts with the Class and will adequately represent the Class.

3. Defendant Coast Professional, Inc. ("Defendant") is a business process outsourcing provider specializing in omnichannel support for commercial, private, and government clients.

4. On September 7, 2023, Plaintiff submitted written notice to the California Labor and Workforce Development Agency ("LWDA"), alleging that Defendant violated Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 1194, 1197, and 1197.1, pursuant to Labor Code section 2699 ("PAGA Notice"). Attached hereto as **Exhibit 2** is a true and correct copy of the PAGA Notice submitted by Plaintiff.

5. As set forth in the PAGA Notice, Plaintiff alleges wage and hour violations predicated on Defendant's alleged failure to: (i) pay overtime wages based on the correct regular rate of pay, in violation of Labor Code sections 510, 558, and 1194; (ii) pay meal/rest period premium wages at the regular rate of pay, in violation of Labor Code sections 226.7 and 512; (iii) provide accurate itemized wage statements, in violation of Labor Code section 226(a); and (iv) pay all wages upon separation of employment, in violation of Labor Code sections 201, 202 and 203.

6. On September 13, 2023, Plaintiff filed a class action complaint against Defendant in the matter of *Andrea Zuniga. v. Coast Professional, Inc*., Superior Court of California, County of San Joaquin Case No.: STK-CV-UOE-2023-9784 (the "Action"). In the initial complaint, Plaintiff asserted class claims predicated on the Labor Code violations articulated in the PAGA Notice.

7. On November 3, 2023, Plaintiff filed the operative First Amended Class and Representative Action Complaint (the "Operative Complaint"), in order to add a claim for civil PAGA penalties predicated on the Labor Code violations set forth in the PAGA Notice.

8. On or about January 2, 2024, Defendant filed an Answer to the Operative Complaint. As set forth in the Answer, Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.

DISCOVERY & INVESTIGATION

9. The Parties engaged in an extensive exchange of documents and information, through informal discovery.

10. On February 28, 2024, Plaintiff propounded requests for production of documents and special interrogatories seeking documents and information related to class certification, including the number of putative class members, the applicable non-discretionary incentive plans, wage statements issued to putative class members, and Defendant' policies and procedures utilized to calculate meal/rest period premiums and overtime.

11. On March 25, 2024, the Parties agreed to redirect their efforts towards a pre-class certification resolution of the Action and agreed to participate in private mediation. In lieu of providing formal responses to the pending discovery, Defendant agreed to provide relevant payroll data regarding the scope of the class and range of potential damages and penalties at issue, such as: (1) number of putative class members who earned non-discretionary incentives and overtime wages in the same workweek; (2) number of putative class members who earned non-discretionary incentives and meal or rest period premiums in the same workweek; (3) number of putative class members who received wage statements reflecting the payment of overtime wages; (4) number of putative class members who terminated employment; and (5) average hourly rate of putative class members. Defendant also produced the incentive plans applicable to putative class members.

12. Using the data provided by Defendant, Class Counsel performed a comprehensive damages analysis. Class Counsel also researched the applicable law as applied

to the facts discovered regarding the alleged claims of the putative class and potential defenses thereto. Thus, Class Counsel entered mediation with a clear understanding of Defendant's maximum exposure.

MEDIATION

13. On October 14, 2024, the Parties participated in a full-day mediation with Brandon McKelvey, an experienced wage and hour class action mediator. As a result of the mediation, and after the exchange of further information and extended negotiations following mediation, the Parties reached the present class-wide settlement.

14. The Parties subsequently negotiated and executed the Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Agreement"), a true and correct copy of which is attached herewith as **Exhibit 1**.

15. The mediation, settlement discussions and negotiations were conducted at arm's-length.

SUMMARY OF THE PROPOSED SETTLEMENT

16. The Agreement seeks to resolve the claims of the following group of employees: (1) all current and former non-exempt hourly employees of Defendant in California who earned a non-discretionary incentive payment and were paid overtime wages in the same pay period, at any time during the Class Period (the "Overtime Regular Rate Subclass"); (2) all current and former nonexempt employees of Defendant in California who earned a non-discretionary incentive payment and were paid a meal or rest period premium in the same pay period, at any time during the Class Period (the "Meal/Rest Period Regular Rate Subclass"); and (3) all current and former hourly non-exempt employees of Defendant in California who received payment of overtime wages, at any time from September 13, 2022 through the end of the Class Period (the "Wage Statement Subclass"). SA §§ 1.29, 1.41, 1.48. The Agreement defines "Class Period" to mean the period from September 13, 2019 through December 20, 2024. *Id*. at § 1.13.

17. The Overtime Regular Rate Subclass, Meal/Rest Period Regular Rate Subclass and Wage Statement Subclass constitute the "Class" or "Class Members." SA § 1.5. Defendant represents that there are approximately 97 individuals that comprise the Class. *Id*. at § 4.1.

18. The Agreement also seeks to resolve the claims of Aggrieved Employees, which is defined to mean all non-exempt hourly paid employees employed by Defendant in the State of California who earned a non-discretionary incentive payment in the same pay period they were paid overtime or a meal/rest period premium during the PAGA Period (September 7, 2022 through December 20, 2024). SA §§ 1.4, 1.33.

19. The Agreement requires Defendant to pay the gross settlement amount of Two Hundred Sixty-Five Thousand Dollars and Zero Cents ($265,000.00) (the "Gross Settlement Amount"). *SA* §§ 1.23, 3.1. Defendant, however, shall separately pay employer-side payroll taxes owed on the portion of Individual Class Payments classified as wages. *Id.* at § 3.1.

20. The amount of the Gross Settlement Amount was calculated with, and is premised on, Defendant's representation that there are 97 Class Members who collectively worked a total of 1,696 Class Pay Periods. SA § 8. The term "Class Pay Period" is defined to mean any pay period during which a Class Member: (1) earned a non-discretionary incentive payment *and* overtime in the same monthly earning period, during the Class Period; (2) earned a non-discretionary incentive payment *and* a meal/rest period premium in the same monthly earning period, during the Class Period; and/or (3) received a wage statement reflecting the payment of overtime wages during the period of September 13, 2022 through the end of the Class Period. *Id.* at § 1.12. However, if a Class Member both earned a non-discretionary incentive payment *and* was paid either overtime or a meal/rest period *and* also received a wage statement reflecting the payment of overtime wages issued between September 13, 2022 and the end of the Class Period, that Pay Period shall only be counted once for purposes of: (1) Class Pay Periods attributed to each Class Member; (2) calculating the total number of Class Pay Periods in the Class Period; (3) calculating Individual Class Payments; and (4) for purposes of the escalator clause. *Id*.

21. To the extent that the actual number of Class Pay Periods exceeds 1,696 by more than ten percent (10%), Defendant will have the option to either increase the Gross Settlement Amount above the ten percent (10%) or cut off the Class Period as of the date the pay periods increased by more than ten percent (10%). SA § 8.

22. Subject to Court approval, the Settlement allocates Twenty-Five Thousand Dollars ($25,000.00) of the Gross Settlement Amount to PAGA Penalties. SA § 1.36. Pursuant to PAGA, seventy-five percent (75%) of the PAGA Penalties, *i.e.* the sum of Eighteen Thousand Seven Hundred Fifty Dollars ($18,750.00), shall be paid to the LWDA. *Id*. at § 3.2.5. The remaining twenty-five percent of the PAGA Penalties, *i.e*., the sum of Six Thousand Two Hundred Fifty Dollars ($6,250.00), shall be distributed to Aggrieved Employees as Individual PAGA Payments. *Id*. The Individual PAGA Payments shall be allocated as 100% penalties. *Id*.

23. The balance of the Gross Settlement Amount that remains after deduction of the PAGA Penalties ($25,000.00), Class Representative Service Payment ($7,500.00), Class Counsel Fees Payment ($92,750.00), Class Counsel Litigation Expenses Payment ($25,000.00), and the Administration Expenses Payment ($6,000.00) is the Net Settlement Amount. SA § 1.30. I estimate that the Net Settlement Amount will be at least $108,750.

24. The Net Settlement Amount will be available for distribution to Participating Class Members (*e.g.* Class Members who do not opt-out of the settlement). SA § 1.37. Participating Class Members will be entitled to receive a portion of the Net Settlement Amount on a *pro rata* basis, based upon the number of Class Pay Periods credited to the employee. *Id.* at §§ 1.12, 3.2.4. A Class Pay Period is any pay period during which a Class Member: (1) earned a non-discretionary incentive payment *and* overtime in the same monthly earning period, during the Class Period; (2) earned a non-discretionary incentive payment *and* a meal/rest period premium in the same monthly earning period, during the Class Period; and/or (3) received a wage statement reflecting the payment of overtime wages during the period of September 13, 2022 through the end of the Class Period. *Id.* at § 1.12. This is fair, as it directly allocates greater recovery to individual Participating Class Members who have allegedly suffered greater harm. On raw average, each Participating Class Member may potentially recover approximately $1,121.13 or $64.12 per pay period released by the Settlement. However, the amount actually paid to each Participating Class Member may increase or decrease depending on the actual number of Class Pay Periods credited to the employee and/or the number of timely Requests for Exclusion received.

25. One Hundred percent (100%) of the Net Settlement Amount shall be allocated to Participating Class Members. SA § 3.2.4. Individual Class Payments shall be allocated as ten precent (10%) to wages and ninety percent (90%) to interest and penalties. *Id*. at 3.2.4.1. After the expiration of 180 days, the funds represented by uncashed settlement checks will be remitted to the California Controller's Unclaimed Property Fund in the name of the Class Member. *Id*. at § 4.4.3.

26. As part of the Agreement, Defendant does not object to the payment of the Class Representative Service Payment in the amount of Seven Thousand Five Hundred Dollars ($7,500.00) to Plaintiff. SA §§ 1.15, 3.2.1. This amount is intended to compensate Plaintiff for her efforts and work in prosecuting this case, including meeting and communicating with Class Counsel and reviewing the pleadings and documents in this case, including the PAGA Notice, complaints and the Agreement. Moreover, in consideration for the Class Representative Service Payment, Plaintiff also executed a general release of all claims including a waiver under California Civil Code section 1542, which other members of the Class did not have to do. *Id*. at § 5.1.1. Any portion of the Class Representative Service Payment not approved by the Court shall be added to the Net Settlement Amount for distribution to the Participating Class. *Id*. at § 3.2.1.

27. Also, as part of the Agreement, Defendant does not object to Class Counsel's request for attorneys' fees in an amount up to thirty-five percent (35%) of the Gross Settlement Amount, *i.e.* the sum of Ninety-Two Thousand Seven Hundred Fifty Dollars and Zero Cents ($92,750.00), as well as declared litigation costs not to exceed Twenty-Five Thousand Dollars ($25,000.00) in connection with the prosecution of the Action. SA § 3.2.2. Any amount of attorney's fees or costs requested and not approved by the Court shall be added to the Net Settlement Amount for distribution to Participating Class Members. *Id.*

28. The Agreement provides for the payment of the fees and expenses reasonably incurred by the Administrator. SA § 3.2.3. The Parties have selected Phoenix Settlement Administrators as the Administrator. *Id.* at § 1.2. The Administrator's anticipated costs are Six Thousand Dollars ($6,000.00). *Id*. at § 3.2.3. I believe that the estimated administration costs

are reasonable and should be approved. The administration costs will be deducted from the Gross Settlement Amount. Any portion of the administration costs not used or approved by the Court shall be added to the Net Settlement Amount for distribution to Participating Class Members. *Id*.

ANALYSIS OF THE CLASS CLAIMS

29. Overtime Regular Rate and Meal/Rest Period Regular Rate Subclass Members earned performance based monthly bonuses and contest cash payments. In advance of the mediation, I reviewed the bonus plans produced by Defendant. The bonuses were non-discretionary in nature.

30. **Overtime Violation.** Prior to July 2024, Defendant did not incorporate the monthly bonuses and contest cash payments in the calculation of the regular rate of pay used to pay overtime wages to Overtime Regular Rate Subclass Members. Instead, Defendant exclusively relied on an employee's base hourly rate to calculate overtime. Effective July 2024, Defendant modified its policy such that all non-discretionary incentive payments are now included in the regular rate calculation.

31. There are 74 Overtime Regular Rate Subclass Members who worked approximately 1,691 pay periods in which they earned overtime wages and a non-discretionary bonus payment. However, based on the data provided by Defendant, the amount of unpaid overtime wages is nominal. The Overtime Regular Rate Subclass Members are owed approximately $2,929.55 in unpaid overtime wages.

32. **Meal/Rest Period Violation.** Prior to July 2024, Defendant did not incorporate the monthly bonuses and contest cash payments in the calculation of the regular rate of pay used to pay meal/rest period premiums to Meal/Rest Period Regular Rate Subclass Members. Instead, Defendant exclusively relied on an employee's base hourly rate to calculate meal/rest period premium payments. Effective July 2024, Defendant modified its policy such that all non-discretionary incentive payments are now included in the regular rate calculation.

33. However, Defendant argues that Plaintiff's meal/rest period claim is not amenable to class certification. As argued by Defendant, before it can be held liable for the

alleged underpayment of the premium, Plaintiff must first prove the predicate violation --- that is that putative class members received unlawful meal/rest period. According to Defendant, an adjudication of the underlying meal/rest period violation would require individualized assessments as to the circumstances of each missed, delayed or interrupted break.

34. There are 13 Meal/Rest Period Regular Rate Subclass Members who worked approximately 22 pay periods in which they earned meal/rest period premiums and a non-discretionary bonus payment. Based on the data provided by Defendant, Meal/Rest Period Regular Rate Subclass Members are owed $509.98 in unpaid meal/rest period premiums.

35. **Waiting Time Penalties.** Plaintiff seeks waiting time penalties based on Defendant's alleged underpayment of overtime wages and meal/rest period premiums. In order to establish liability for waiting time penalties under Labor Code section 203, it is the plaintiff's burden to prove not only that there was a failure to pay final wages in a timely manner, but also that the failure to pay wages in a timely manner was "willful." Defendant maintains that Plaintiff cannot establish the predicate fact that Defendant willfully delayed each final payment.

36. There are 29 Overtime Regular Rate Subclass Members and Meal/Rest Period Regular Rate Subclass Members who terminated employment during the liability period. Based on the data provided by Defendant, these employees are owed $120,825.60 in waiting time penalties.

37. **Wage Statement Claim.** Plaintiff alleges that the wage statements issued to Class Members omit the rate used to calculate overtime wages, in violation of Labor Code section 226(a)(9). When overtime wages were paid to employees, the corresponding wage statement displayed overtime wages on multiple lines labelled either "Coefficient OT" or "Overtime" rate. Plaintiff contends that employees cannot use simple math to verify the overtime rate because there is no indication as to which entries should be summed to arrive at the correct overtime rate. Plaintiff also alleges a derivative violation of Section 226(a) predicated on the alleged underpayment of overtime and meal/rest period premiums. Due to the alleged underpayment, Plaintiff contends that the wage statements omit information required by Labor Code 226, including all applicable hourly rates and the accurate gross and net wages

earned

38. Defendant, however, maintains that any alleged omission of the overtime and/or meal/rest period rate was not a “knowing and intentional failure” by Defendant to comply with Labor Code section 226(a), and penalties are therefore unwarranted.

39. I estimate that Defendant owes $156,400 in Labor Coe section 226(e) penalties. Based on the data provided by Defendant, 82 Wage Statement Class Members received a wage statement reflecting the payment of overtime wages in 1,605 pay periods between September 13, 2022, through the end of the Class Period.

40. Assuming that Plaintiff succeeded at trial on all class claims, below is a summary of the potential damages and statutory penalties at issue:

Alleged Violation	**Damages/Statutory Penalties**
Overtime Regular Rate Violation	$2,929.55
Meal/Rest Period Regular Rate Violation	$509.98
Waiting Time Penalties	$120,825.60
Wage Statement Penalties	$156,400
TOTAL	**$280,665.13**

POTENTIAL RECOVERABLE CIVIL PAGA PENALTIES

41. Aggrieved Employees experienced a violation on the Labor Code in approximately 2,704 pay periods during the PAGA Period:

Alleged Violation	**Pay Periods**
Overtime and Meal/Rest Regular Rate Violation	1,082
Failure to Pay Wages at Termination	17
Direct Wage Statement Violation	1,605
TOTAL	**2,704**

42. Due to the discretionary nature of PAGA penalties, PAGA civil penalties are

difficult to evaluate. Assuming that Plaintiff were to prevail on the merits of the PAGA claim, applying the standard penalty of $100 per pay period yields $270,400 in potential liability.

43. In negotiating the amount of the settlement, I took into account the inherent uncertainty in the potential recovery in a PAGA action. By statute, the Court can decline to award the full amount of PAGA penalties where "…if, based on the facts and circumstances of the particular case, to do otherwise, would result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See* Cal. Labor Code § 2699(e)(2). Assuming that Plaintiff prevailed on liability, under the facts of this case, I appreciate the substantial risk that Defendant could present a persuasive argument to reduce the amount of PAGA penalties at trial.

44. In this case, Defendant asserted that a substantial reduction in potential PAGA penalties was warranted because: (1) Aggrieved Employees did not suffer substantial economic harm as a result of the alleged underpayment of wages; and (2) Defendant voluntarily revised its practices and policies prior to mediation. Thus, Defendant contends that no PAGA penalties are needed to punish or deter Defendant for its inadvertent behavior, much less to deter it from committing any future violations that were completely foreclosed by its new payroll practices.

45. Here, based on the amounts explained above, the total exposure for the class and PAGA claims amount to $551,065.13 ($280,665.13 + $270,400). The Gross Settlement Amount is $265,000, and thus amounts to approximately 48% of Defendant's maximum exposure.

THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE

46. I believe that Plaintiff and the Class could prevail at trial. However, I also believe in the fairness of the settlement, given the inherent risks of litigation, including the substantial risks relative to class certification, the costs of pursuing such litigation, and the risks associated with the Court's discretion to reduce PAGA penalties. Moreover, as Defendant adamantly denies that it should be liable for the full extent of the alleged damages and penalties, there is a possibility that Plaintiff and the Class would be awarded less or recover nothing at trial. Thus, after taking into account sharply disputed legal issues involved in this litigation, the risks associated with further prosecution, delays caused by potential appeals, and the substantial benefits to be received pursuant to the Agreement, I believe that the proposed settlement is fair,

reasonable, and adequate and is in the best interests of the Class.

ATTORNEY EXPERIENCE

47. Diversity Law Group has a great deal of experience in wage and hour class action litigation and has been approved as class counsel in a number of class actions. In class and representative PAGA actions, Diversity Law Group represents employees on a contingency basis. The firm advances all litigation related costs, including filing fees, service of process fees, mediation costs, and payment of other litigation related costs.

48. My qualifications are as follows: I was the 2003 recipient of the Spelman Presidential Scholarship to Emory University School of Law. During law school, I was a summer associate at the law firm of Sonnenschein, Nath and Rosenthal, and clerked with the Atlanta office of the Equal Employment Opportunity Commission. I received my J.D. from Emory University in 2006 and was admitted to the California Bar in December 2006. Following law school, I was an associate at Sonnenschein from September 2006 to May 2009.

49. Since 2009, my primary area of practice has been employment litigation. I have practiced law at two pre-eminent employment defense firms. From May 2009 to June 2011, I was an associate at Ogletree, Deakins, Nash, Smoak & Stewart, P.C. I was also an associate, and then senior associate, in the labor and employment practice group of Seyfarth Shaw, LLP from June 2011 to May 2016. At both Ogletree and Seyfarth, I represented a wide array of fortune 500 companies in employment litigation in both state and federal courts, as well as before government agencies, including the California Department of Labor. My practice included the defense of single plaintiff and multi-plaintiff lawsuits involving claims under the California Fair Employment and Housing Act, the California Labor Code and the Fair Labor Standards Act. I also handled a number of wage and hour class actions.

50. In June 2016, I joined Diversity Law Group, P.C. where I spend most of my time handling employment cases. I primarily represent employees.

51. I have been approved as class counsel in numerous other wage/hour class actions that have been granted class certification and final approval, including: *Antonio Becerra-Mata v. PSC Industrial Outsourcing, LP*, San Benito County Superior Court Case No. CU-15-00030;

Kosal So v. Owens-Brockway Glass Container, Inc., Los Angeles County Superior Court Case No. BC608609; *Sarah Rodriguez v. Manpower, Inc.*, Santa Clara County Superior Court Case No. 1-16-CV-294904; *Shannon Sanchez v. American Para Professional Systems, Inc.*, Santa Clara County Superior Court Case No. 17CV306751; *Foaad Hanna v. Equinix, LLC*, Santa Clara County Superior Court Case No. 18CV339365; *Alicia Harris v. 24 Seven LLC*, Los Angeles County Superior Court Case No. BC720144; *Mary Della Maggiora v. Watsonville Community* Hospital, Santa Cruz Superior Court Case No. 18CV00191; *Michael Randolph v. Pacific Racing Association*, Alameda County Superior Court Case No. RG18908139; *Cody Wirbick v. Sundt Construction, Inc.*, U.S. District Court for the Eastern District of California Case No. 2:19-cv-02067-MCE-CKD; *Jose Vasquez Ruiz v. Perdue Foods, LLC*, Sonoma County Superior Court Case No. SCV 264649; *Delmer Wood III v. Reeve Trucking Company Inc.*, San Joaquin Superior Court Case No. STK-CV-UOE-2018-0004414; *Eric Chavez v. Converse, Inc.,* U.S. District Court for the Northern District of California Case No. 15-cv-03746-NC; *Jharett Siron v. Raypak, Inc.*, Ventura County Superior Court Case No. 56-2019-00527959-CU-OE-VTA; *Prexxie Pascual and Arturo Fonseca v. Satellite Healthcare, Inc.*, Santa Clara Superior Court Case No. 19CV345211; and *Markham v. Quik Stop Markets, Inc.,* Santa Clara Superior Court Case No. 19CV341582.

52. I also second chaired two jury trials where I represented the prevailing defendant. Both cases involved employees who brought claims against their former employers pursuant to the Fair Employment & Housing Act. The cases are: *Jeff Cowell v. Eaton Aerospace LLC et al*, Los Angeles County Superior Court Case No. BC401543; and *Richard Gulden v. Pratt & Whitney Rocketdyne Inc. et al.*, Los Angeles County Superior Court Case No. BC468909. More recently, I was lead trial counsel on a PAGA bench trial, in which the plaintiff was the prevailing party.

NOTICE TO LWDA

53. Concurrently with the filing of the Motion for Preliminary Approval, my office uploaded the Motion, Agreement, and proposed order to the LWDA's website. Attached hereto as **Exhibit 3** is proof of submission.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on February 28, 2025, at Los Angeles, California.

Kristen M. Agnew

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff **Andrea Zuniga** ("Plaintiff") and Defendant **Coast Professional, Inc.** ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendant captioned *Andrea Zuniga v. Coast Professional, Inc.* initiated on September 13, 2023, and pending in the Superior Court of the State of California, County of San Joaquin, Case No. STK-CV-UOE-2023-9784.

1.2. "Administrator" means Phoenix Settlement Administrators, 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" means a non-exempt hourly paid employee employed by Defendant in the State of California who earned a non-discretionary incentive payment in the same pay period they were paid overtime or a meal/rest period premium during the PAGA Period.

1.5. "Class" means the following subclasses: (a) Overtime Regular Rate Subclass; (b) Meal/Rest Period Regular Rate Subclass; and (c) Wage Statement Subclass.

1.6. "Class Counsel" means Larry W. Lee and Kristen M. Agnew of Diversity Law Group, P.C. and William L. Marder of Polaris Law Group.

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 Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Pay Periods and PAGA Pay Periods.

1.9. "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).

1.10. "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.

1.11. "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.

1.12. "Class Pay Period" means any pay period during which a Class Member: (1) earned a non-discretionary incentive payment *and* overtime in the same monthly earning period, during the Class Period; (2) earned a non-discretionary incentive payment *and* a meal/rest period premium in the same monthly earning period, during the Class Period; and/or (3) received a wage statement reflecting the payment of overtime wages during the period of September 13, 2022 through the end of the Class Period. The Parties agree that if a Class Member both earned a non-discretionary incentive payment *and* was paid either overtime or a meal/rest period *and* also received a wage statement reflecting the payment of overtime wages issued between September 13, 2022 and the end of the Class Period, that Pay Period shall only be counted once for purposes of: (1) Class Pay Periods attributed to each Class Member; (2) calculating the total number of Class Pay Periods in the Class Period; (3) calculating Individual Class Payments; and (4) for purposes of the escalator clause set forth below in Paragraph 8.

1.13. "Class Period" means the period from September 13, 2019 through December 20, 2024.

1.14. "Class Representative" means the named Plaintiff in the Action seeking Court approval to serve as Class Representative.

1.15. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.16. "Court" means the Superior Court of California, County of San Joaquin.

1.17. "Defendant" means named Defendant Coast Professional, Inc.

1.18. "Defense Counsel" means Andrea F. Oxman and Peter M. Waneis of Jackson Lewis P.C.

1.19. "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.

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

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

1.22. "Final Judgment" means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23. "Gross Settlement Amount" means Two Hundred Sixty-Five Thousand Dollars and Zero Cents ($265,000.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraphs 8 and 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the Administrator's Expenses.

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 Class Pay Periods 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 PAGA Pay Periods worked during the PAGA Period.

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

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

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

1.29. "Meal/Rest Period Regular Rate Subclass" means all current and former non-exempt employees of Defendant in California who earned a non-discretionary incentive payment and were paid a meal or rest period premium in the same pay period, at any time during the Class Period.

1.30. "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.

1.31. "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, time being of the essence.

1.32. "PAGA Pay Period" means any pay period during which an Aggrieved Employee: (1) earned a non-discretionary incentive payment and overtime in the same monthly earning period, during the PAGA Period; (2) earned a non-discretionary incentive payment *and* a meal/rest period premium in the same monthly earning period, during the PAGA Period; and/or (3) received a wage statement reflecting the payment of overtime wages during the PAGA Period. The Parties agree that if an Aggrieved Employee both earned a non-discretionary incentive payment *and* was paid either overtime or a meal/rest period *and* also received a wage statement that did not identify all applicable hourly rates of pay on a wage statement issued between September 7, 2022 and the end of the PAGA Period, that Pay Period shall only be counted once for purposes of: (1) PAGA Pay Periods attributed to each Aggrieved Employee; (2) calculating the total number of PAGA Pay Periods in the PAGA Period; (3) calculating Individual PAGA Payments; and (4) for purposes of the escalator clause set forth below in Paragraph 8.

1.33. "PAGA Period" means the period from September 7, 2022 through December 20, 2024.

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

1.35. "PAGA Notice" means Plaintiff Andrea Zuniga's September 27, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a) as amended.

1.36. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount. Subject to Court approval and pursuant to California Labor Code § 2699(l), the Parties agree that the PAGA Penalties shall be Twenty-Five Thousand Dollars and Zero Cents ($25,000.00).

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

1.38. "Plaintiff" means Andrea Zuniga, the named Plaintiff in the Action.

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 PAGA Settlement.

1.41. "Overtime Regular Rate Subclass" means all current and former non-exempt hourly employees of Defendant in California who earned a non-discretionary incentive payment and were paid overtime wages in the same pay period, at any time during the Class Period.

1.42. "Released Class Claims" means any of the claims being released as described in Paragraphs 5.2.1 to 5.2.3 below.

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

1.44. "Released Parties" means: Defendant and all of its present and former parent companies, direct and indirect subsidiaries, members, joint ventures, owners, principals, agents, divisions, and their respective related or affiliated companies, shareholders, officers, directors, employees, agents, members, managers, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Claims, and Defendant's counsel of record in the Action.

1.45. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.46. "Response Deadline" means forty-five (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 their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline expiration date.

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

1.48. "Wage Statement Subclass" means all current and former hourly non-exempt employees of Defendant in California who received payment of overtime wages, at any time from September 13, 2022 through the end of the Class Period.

2. RECITALS

2.1. On September 13, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant in the Superior Court of California, County of San Joaquin (Case No.: STK-CV-UOE-2023-9784). On November 3, 2023, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant for: (1) Violation of Labor Code §§ 510, 558, and 1194; (2) Violation of Labor Code §§ 226.7 and 512; (3) Violation of Labor Code § 226(a); (4) Violation of Business and Professions Code § 17200, et seq.; and (5) Violation of Labor Code § 2698, et seq. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On October 14, 2024, Plaintiff and Defendant, by and through Class Counsel and Defense Counsel respectively, participated in a private all-day mediation presided over by neutral third-party Brandon McKelvey, Esq. which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, time and pay datapoints; copies of Defendant's operative payroll, overtime, time keeping, and meal and rest period policies; Plaintiff's wage statements and personnel file; and other information relating to the size and scope of the Class, as well as data permitting Plaintiff to fully understand the nature and scope of the allegations. Plaintiff's 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*").

2.5. The Court has not granted class certification.

2.6. 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 by Paragraphs 8 and 9 below, Defendant shall pay Two Hundred Sixty-Five Thousand Dollars and Zero Cents ($265,000.00) and no more as the Gross Settlement Amount. Defendant shall separately pay employer-side payroll taxes owed on the portion of Individual Class Payments classified as wages. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. 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 Defendant.

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 Plaintiff: Class Representative Service Payment to the Class Representative of not more than Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00), in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member or Aggrieved Employee. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment for less than the amounts requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the individual Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than thirty-five percent (35%) of the Gross Settlement Amount, which is currently estimated to be Ninety-Two Thousand Seven Hundred Fifty Dollars and Zero Cents ($92,750.00) and a Class Counsel Litigation Expenses Payment of not more than Twenty-Five Thousand Dollars and Zero Cents ($25,000.00). Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Litigation Expenses Payment no later than sixteen (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 of 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 Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed Six Thousand Dollars and Zero Cents $6,000.00 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 Six Thousand Dollars and Zero Cents $6,000.00, the Administrator will retain the remainder in the Net Settlement Amount. If the Court approves additional payment to the Administrator, the payment shall be made from the Gross Settlement Amount, and Defendant shall not be required to pay any additional funds as part of the Settlement.

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 Class Pay Periods worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Class Pay Periods.

3.2.4.1. Tax Allocation of Individual Class Payments: Ten percent (10%) 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 other ninety percent (90%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "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 Payment.

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 Twenty-Five Thousand Dollars and Zero Cents ($25,000.00) to be paid from the Gross Settlement Amount, with 75% ($18,750.00) allocated to the LWDA PAGA Payment and 25% ($6,250.00) 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 ($6,250.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. The Individual PAGA Payments shall be allocated as 100% penalties. 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 and Aggrieved Employee Pay Periods: The Gross Settlement Amount was calculated with, and is premised on, Defendant's representation that there are approximately 97 Class Members who collectively worked a total of 1,696 pay periods, and 61 Aggrieved Employees who worked a total of 1,082 PAGA Periods.

4.2. Class Data: Not later than twenty-one (21) days after the Court grants Preliminary Approval of the Settlement, Defendant 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. Defendant has a continuing duty to immediately notify Class Counsel if it discovers 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 Defendant 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.

4.3. Funding of Gross Settlement Amount: No later than fifteen (15) days after the Effective Date, Defendant shall fully fund the Gross Settlement Amount and pay the employer-side payroll taxes owed on Individual Class Payments classified as wages by transmitting the funds to the Administrator.

4.4. Payments from the Gross Settlement Amount: Within fourteen (14) days after Defendant funds 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 Payment.

4.4.1. 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 one hundred eighty (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 (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members 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.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are retuned undelivered without USPS forwarding address. Within five (5) 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.

4.4.3. For any 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 thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subd. (b). Any fees or costs associated with depositing the uncashed checks with the California Controller's Unclaimed Property Fund shall be paid from the Gross Settlement Amount.

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant 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. <u>RELEASE OF CLAIMS</u>. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. <u>Plaintiff's Release</u>: Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: any and all claims, known and unknown, asserted and not asserted, which the Plaintiff has or may have against the Released Parties as of the date of execution of this Agreement ("Plaintiff's Released Claims"). The Plaintiff's Released Claims include, but are not limited to, all of the Released Class Claims, the Released PAGA Claims and any other claims arising under the California Labor Code; any claim arising out of the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and federal common law; all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, and the law of contract and tort. This release excludes the release of claims not permitted by law. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1. <u>Plaintiff's Waiver of Rights Under California Civil Code Section 1542</u>: For purposes of Plaintiff's Release, 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.

5.2. Releases by Participating Class Members:

5.2.1. Overtime Regular Rate Release: All Participating Class Members in the Overtime Regular Rate Subclass, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims alleged, or which could have been alleged, in the Operative Complaint for violation of California Labor Code sections 218.5, 510, 558, and 1194 and Business and Professions Code sections 17200, et seq., including associated penalties under Labor Code sections 201, 202, 203, 204 and 226, predicated solely on the miscalculation of the regular rate of pay at any time during the Class Period.

5.2.2. Meal/Rest Period Regular Rate Release: All Participating Class Members in the Meal/Rest Period Regular Rate Subclass, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims alleged, or which could have been alleged, in the Operative Complaint for violation of California Labor Code sections 226.7 and 512 and Business and Professions Code sections 17200, et seq., including associated penalties under Labor Code sections 201, 202, 203, 204 and 226, predicated solely on the underpayment of meal/rest period premiums due to the miscalculation of the regular rate of pay at any time during the Class Period.

5.2.3. Wage Statement Release: All Participating Class Members in the Wage Statement Subclass, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims alleged, or which could have been alleged, in the Operative Complaint for violation of California Labor Code section 226 predicated solely on the failure to identify all applicable overtime hourly rates of pay on wage statements issued during the period of September 13, 2022 through the end of the Class Period.

5.2.4. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. 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 all claims for PAGA penalties alleged, or which could have been alleged, in the Operative Complaint and the PAGA Notice for violation of Labor Code sections 201, 202, 203, 204, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1194, 1197 and 1197.1 that accrued during the PAGA Period predicated solely on the factual allegations identified in the PAGA Notice ("Released PAGA Claims").

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1. Plaintiff's Responsibilities: Plaintiff 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, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their declarations, Plaintiff and Class Counsel 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. Responsibilities of Counsel: Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) days after the full execution of this Agreement; and obtaining a prompt hearing date for the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3. 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. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator: The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators 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.

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

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

7.4. Notice to Class Members:

7.4.1. 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, PAGA Members, Class Pay Periods, and PAGA Pay Periods in the Class Data.

7.4.2. Using best efforts to perform as soon as possible, and in no event later than forty-five (45) days after the Court grants Preliminary Approval of the Settlement, 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 Class Pay Periods and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3. Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by USPS. If 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 USPS a second time.

7.4.4. The deadlines for Class Members' written objections, Challenges to Class Pay Periods and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days 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.

7.4.5. If the Administrator, Defense Counsel 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 fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5. Requests for Exclusion (Opt-Outs):

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or their 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, time being of the essence. Aggrieved Employees are prohibited from requesting exclusion from the Settlement of the PAGA claims in the Action and the Released PAGA Claims.

7.5.2. 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 clear and convincing expression of their intent 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.

7.5.3. 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 5.2.1 to 5.2.3 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. 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 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.5.5. <u>Plaintiff's Waiver of Right to Be Excluded and Object:</u> Plaintiff agrees to sign this Agreement, and by signing this Agreement, is hereby bound by the terms herein. For good and valuable consideration, Plaintiff further agrees that she will not request to be excluded from the Settlement, nor object to any terms herein. Any such request for exclusion or objection by Plaintiff will be void and of no force or effect. Any effort by Plaintiff to circumvent the terms of this paragraph will be void and of no force and effect.

7.6. <u>Challenges to Calculation of Pay Periods</u>: Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Pay Periods and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member 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 Class Pay Periods and/or PAGA Pay Periods 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's allocation of Class Pay Periods and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Class Pay Periods and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7. Objections to Settlement:

7.7.1. 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.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) 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 forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

7.7.4. Aggrieved Employees are not permitted to object to any of the PAGA components of the Settlement.

7.8. 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.

7.8.1. Email Address and Toll-Free Number: The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

7.8.2. 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 five (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; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3. 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 Class Pay Periods and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual

PAGA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4. Pay Period 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 Class Pay Periods and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5. Administrator's Declaration: Not later than fourteen (14) days before the date by which Plaintiff is 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.

7.8.6. Final Report by Settlement Administrator: Within ten (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 fifteen (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.

8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**. Based on its records, Defendant estimates that, as of the date of this Agreement, there are 97 Class Members who collectively worked a total of 1,696 Class Pay Periods, and 61 Aggrieved Employees who worked a total of 1,082 PAGA Pay Periods. To the extent that the actual number of Class Pay Periods exceeds 1,696 by more than ten percent (10%), Defendant will have the option to either increase the Gross Settlement Amount above the ten percent (10%) (*e.g.*, if the number of pay periods increase by eleven percent (11%), Defendant shall increase the Gross Settlement Amount by one percent (1%)) or cut off the Class Period as of the date the pay periods increased by more than ten percent (10%).

9. **DEFENDANT'S RIGHT TO WITHDRAW**. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds five percent (5%) of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The

Parties agree that, if Defendant withdraws, 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, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than fourteen (14) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. <u>MOTION FOR FINAL APPROVAL</u>. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff 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, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel no 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. <u>Response to Objections</u>: 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. <u>Duty to Cooperate</u>: 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 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. <u>Continuing Jurisdiction of the Court</u>: 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. <u>Waiver of Right to Appeal</u>: 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 appellate 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. ADDITIONAL PROVISIONS.

12.1. 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 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that 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, Defendant reserves the right to contest certification of any class for any reason, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and 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).

12.2. Confidentiality Prior to Preliminary Approval: The Parties 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. Plaintiff, Class Counsel, Defendant 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, 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, nor Defendant's usual and customary communications with Class Members in the ordinary course of its regular business activities unrelated to the Action.

12.3. 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.

12.4. 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.

12.5. Attorney Authorization: Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, 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.

12.6. 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.

12.7. 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.

12.8. No Tax Advice: Neither Plaintiff, Class Counsel, Defendant 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.

12.9. 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.

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

12.11. 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.

12.12. 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.

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

12.14. Use and Return of Class Data: Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement are and remain the sole property of Defendant and may be used only with respect to this Settlement, and for no other purpose, and furthermore 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, Plaintiff and Administrator shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

12.15. 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.

12.16. 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.

12.17. 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, to the other Party's respective counsel of record.

12.18. 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.

12.19. 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.

[*Intentionally Left Blank – Signatures on Following Page*]

Dated: 1/6/2025

Andrea Zuniga

Signed by:

A0C80581206C447...

Coast Professional, Inc.

Dated: ______________________

By: ______________________

Name: Michael Del Valle

Title: General Counsel/Chief Compliance Officer

Dated: ______________________

By: ______________________

Name: Brent Henderson

Title: Vice President of Human Resources

Approved as to form:

Dated: 1/7/2025

DIVERSITY LAW GROUP, P.C. / POLARIS LAW GROUP

LARRY W. LEE
KRISTEN M. AGNEW
WILLIAM L. MARDER
Attorneys for Plaintiff
ANDREA ZUNIGA

Dated: ______________________

JACKSON LEWIS P.C.

ANDREA F. OXMAN
PETER M. WANEIS
Attorneys for Defendant
COAST PROFESSIONAL, INC.

Dated: ______________________

Andrea Zuniga

____

Coast Professional, Inc.

Dated: 1/6/2025

By: Michael Del Valle

Name: Michael Del Valle

Title: General Counsel/Chief Compliance Officer

Dated: 1/7/2025

By: Brent Henderson

Name: Brent Henderson

Title: Vice President of Human Resources

Approved as to form:

Dated: ______________________

DIVERSITY LAW GROUP, P.C. / POLARIS LAW GROUP

____

LARRY W. LEE
KRISTEN M. AGNEW
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Attorneys for Plaintiff
ANDREA ZUNIGA

Dated: 1/3/2025

JACKSON LEWIS P.C.

Andrea F. Oxman

ANDREA F. OXMAN
PETER M. WANEIS
Attorneys for Defendant
COAST PROFESSIONAL, INC.

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

Andrea Zuniga v. Coast Professional, Inc.
Superior Court of the State of California, County of San Joaquin
Case No. STK-CV-UOE-2023-9784

The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") entitled *Andrea Zuniga v. Coast Professional, Inc.* for alleged wage and hour violations. The Action was filed by a former Coast Professional, Inc. employee ("Plaintiff") and seeks (1) monetary relief for subclasses of: (i) current and former non-exempt hourly employees of Defendant in California who earned a non-discretionary incentive payment and overtime wages in the same pay period, at any time during the Class Period ("Overtime Regular Rate Subclass"); (ii) current and former hourly non-exempt employees of Defendant in California who earned a non-discretionary incentive payment and a meal or rest period premium in the same pay period, at any time during the Class Period ("Meal/Rest Period Regular Rate Subclass"); and (iii) current and former non-exempt hourly employees of Defendant in California who received payment of overtime wages, at any time from September 13, 2022 through December 20, 2024 ("Wage Statement Subclass") (any individual in the Regular Rate Subclass, the Meal/Rest Period Regular Rate Subclass, or the Wage Statement Subclass, is a "Class Member"); and (2) civil penalties under the California Private Attorneys General Act ("PAGA") for all Class Members during the PAGA Period from September 7, 2022 through December 20, 2024 ("Aggrieved Employees"). For the purposes of this Notice, Coast Professional, Inc. shall be referred to here as the "Company."

As used herein, "Class Period" means from September 13, 2019 through December 20, 2024.

As used herein, "PAGA Period" means the period from September 7, 2022 through December 20, 2024.

As used herein, 1.12. "Class Pay Period" means any pay period during which a Class Member: (1) earned a non-discretionary incentive payment and overtime in the same monthly earning period, during the Class Period; (2) earned a non-discretionary incentive payment and a meal/rest period premium in the same monthly earning period, during the Class Period; and/or (3) received a wage statement reflecting the payment of overtime wages during the period of September 13, 2022 through the end of the Class Period.

"PAGA Pay Period" means any pay period during which an Aggrieved Employee: (1) earned a non-discretionary incentive payment and overtime in the same monthly earning period, during the PAGA Period; (2) earned a non-discretionary incentive payment and a meal/rest period premium in the same monthly earning period, during the PAGA Period; and/or (3) received a wage statement reflecting the payment of overtime wages during the PAGA Period.

The proposed Settlement has two main parts: (1) a Class Settlement requiring the Company to fund Individual Class Payments, and (2) a PAGA Settlement requiring the Company to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on the Company's records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be $[#] (less withholding) and your Individual PAGA Payment is estimated to be $[#]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to the Company's records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on the Company's records showing that y**ou worked [#] Class Pay Periods** during the Class Period and **you worked [#] PAGA Pay Periods** during the PAGA Period. If you believe that you worked more pay periods during either period, you can submit a challenge by the deadline date. *See* Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires the Company to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against the Company.

If you worked for the Company during the Class Period and/or the PAGA Period and are a Class Member, you have two basic options under the Settlement:

(1) **Do Nothing**. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against the Company.

Opt-Out of the Class Settlement. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against the Company. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You don't have to do anything to participate in the Settlement.	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against the Company that are covered by this Settlement (Released Claims).
You can opt-out of the Class Settlement but not the PAGA Settlement. **The opt-out deadline is [].**	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section **6** of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. The Company must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members can object to the Class Settlement but not the PAGA Settlement. **Written objections must be submitted by [].**	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section **7** of this Notice.
You can participate in the Final Approval Hearing.	The Court's Final Approval Hearing is scheduled to take place on []. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section **8** of this Notice.
You can challenge the calculation of your pay periods. **Written challenges**	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many Class Pay Periods you worked during the Class Period and how many PAGA Pay Periods you worked during the PAGA Period, respectively. The number of Class Pay Periods and PAGA Pay Periods you worked

must be submitted by [].	according to the Company's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by []. See Section **4** of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Company employee. The Action accuses the Company of violating California labor laws by underpayment of overtime wages and meal and rest period premiums and failure to provide accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code sections 2698, et seq.) ("PAGA").

The Company strongly denies the allegations in the Action and the Company asserts it has properly paid Company employees.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether the Company or Plaintiff are correct on the merits of the claims asserted. In the meantime, Plaintiff and the Company hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and the Company have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, the Company does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) the Company has agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable, and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

a. <u>The Company Will Pay $265,000.00 as the Gross Settlement Amount (Gross Settlement)</u>. The Company has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Settlement Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, the Company will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

b. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

   i. Up to thirty-five percent (35%) of the Gross Settlement (currently estimated to be $92,750.00) to Class Counsel for attorneys' fees and up to $25,000.00 for litigation expenses. To date, Class Counsel has worked and incurred expenses on the Action without payment.

   ii. Up to $7,500.00 as Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. The Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.

   iii. Up to $6,000.00 to the Administrator for services administering the Settlement.

   iv. Up to $25,000.00 for PAGA Penalties, allocated 75% to the LWDA and 25% to the Aggrieved Employees based on their PAGA Pay Periods.

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

c. Net Settlement Distributed to Class Members and Aggrieved Employees. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Pay Periods.

d. Taxes Owed on Payments to Class Members. The Settlement shall be broken down as follows: 10% ("Wage Portion") of each Individual Class Payment to taxable wages and 90% ("Non-Wage Portion") to penalties and interest. The Wage Portion is subject to withholding and will be reported on IRS W-2 Forms. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

e. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

f. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against the Company.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against the Company based on the PAGA Period facts alleged in the Action.

g. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and the Company have agreed that, in either case, the Settlement will be void: the Company will not pay any money and Class Members will not release any claims against the Company.

h. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the "Administrator") to administer the settlement. The Administrator will also decide Class Member Challenges over Class Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

i. Participating Class Members' Release. After the Judgment is final and the Company has fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against the Company or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following applicable releases:

> All Participating Class Members in the Overtime Regular Rate Subclass, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims alleged, or which could have been alleged, in the Operative Complaint for violation of California Labor Code sections 218.5, 510, 558, and 1194 and Business and Professions Code sections 17200, et seq., including associated penalties under Labor Code sections 201, 202, 203, 204 and 226, predicated solely on the miscalculation of the regular rate of pay at any time during the Class Period.
>
> All Participating Class Members in the Meal/Rest Period Regular Rate Subclass, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims alleged, or which could have been alleged, in the Operative Complaint for violation of California Labor Code sections 226.7 and 512 and Business and Professions Code sections 17200, et seq., including associated penalties under Labor Code sections 201, 202, 203, 204 and 226, predicated solely on the underpayment of meal/rest period premiums due to the miscalculation of the regular rate of pay at any time during the Class Period.
>
> All Participating Class Members in the Wage Statement Subclass, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims alleged, or which could have been alleged, in the Operative Complaint for violation of California Labor Code section 226 predicated solely on the failure to identify all applicable overtime hourly rates of pay on wage statements issued during the period of September 13, 2022 through the end of the Class Period.

j. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and the Company has paid the Gross Settlement, all Aggrieved Employees will be barred from asserting PAGA claims against the Company predicated on the violation of Labor Code sections 201, 202, 203, 204, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1194, 1197 and 1197.1 that accrued during the PAGA Period, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against the Company or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

a. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Class Pay Periods worked by all Participating Class Members, and (b) multiplying the result by the number of Class Pay Periods worked by each individual Participating Class Member.

b. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $[#] by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.

c. Pay Period Challenges. The number of Class Pay Periods you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in the Company's records, are stated in the first page of this Notice. You have until [] to challenge the number of pay periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax. Section 9 of this Notice has the Administrator's contact information.

   You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept the Company's calculation of pay periods based on the Company's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve pay period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and the Company's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

a. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who does not opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment, if applicable.

b. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Andrea Zuniga v. Coast Professional, Inc.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [], or it will be invalid. Section 9 of the Notice has the Administrator's contact information. Remember, you cannot opt-out of the PAGA portion of the Settlement.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and the Company are asking the Court to approve. At least [] days before the Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Service Award for being Class Representative. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Court's website ([]).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is []. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Andrea Zuniga v. Coast Professional, Inc.* and include your name, current address, telephone number, and approximate dates of employment for the Company and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. *See* Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing. Remember, you cannot object to the PAGA portion of the Settlement.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [] at [] at the Stockton Courthouse in Department 10A of the San Joaquin Superior Court, located at 180 E Weber Avenue, Stockton, California 95202. At the hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comments from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally, telephonically, or, at the discretion of the Judicial Officer, virtually via Zoom (https://www.sjcourts.org/divisions/civil/). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website ([]) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything the Company and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Superior Court website by going to (https://cms.sjcourts.org/fullcourtweb/start.do) and entering the Case Number for the Action, Case No. STK-CV-UOE-2023-9784. You can also make an appointment to personally review court documents in the Clerk's Office.

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

The contact information for the Settlement Administrator is as follows:

[]

The addresses for the Parties' Counsel are as follows:

Class Counsel	Defense Counsel
Larry W. Lee Kristen M. Agnew DIVERSITY LAW GROUP, P.C. 515 S. Figueroa Street, Suite 1250 Los Angeles, California 90071 Tel.: (213) 488-6555 Fax: (213) 488-6554 E-Mail: lwlee@diversitylaw.com E-Mail: kagnew@diversitylaw.com William L. Marder POLARIS LAW GROUP 501 San Benito Street, Suite 200 Hollister, California 95023 Tel.: (831) 531-4214 Fax: (831) 634-0333 E-Mail: bill@polarislawgroup.com	Andrea F. Oxman Peter M. Waneis JACKSON LEWIS P.C. 725 S. Figueroa St., Suite 2800 Los Angeles, California 90017 Tel.: (213) 689-0404 Fax: (213) 689-0430 E-Mail: Andrea.Oxman@Jacksonlewis.com E-Mail: Peter.Waneis@Jacksonlewis.com

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

4910-9062-1452

EXHIBIT 2

ANDREA ZUNIGA
c/o DIVERSITY LAW GROUP, P.C.
515 S. FIGUEROA ST., SUITE 1250
LOS ANGELES, CALIFORNIA 90071
TELEPHONE (213) 488-6555
FACSIMILE (213) 488-6554

September 7, 2023

VIA ON-LINE FILING AND CERTIFIED MAIL TO EMPLOYER

California Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

Re: *Zuniga v. Coast Professional, Inc.*

To Whom It May Concern:

This correspondence shall constitute written notice under Labor Code section 2699.3 of my claims against my former employer, Coast Professional, Inc (the "Company"). Specifically, I allege that the Company:

1. Violated Labor Code §§ 201-204, 510, 558, 1194, 1197, 1197.1 by not paying proper overtime wages to me and other similarly situated aggrieved employees. Specifically, throughout our employment with the Company, non-exempt employees and I earned non-discretionary remuneration, including, but not limited to, monthly bonuses and contest incentives. As these items are non-discretionary forms of remuneration, they should have been included in the regular rate of pay for purposes of paying me and other employees our overtime wages. However, whenever the Company paid me and other employees our overtime wages during periods in which we earned such non-discretionary remuneration, the overtime wages were not paid at 1.5 time the regular rate of pay but rather were paid at 1.5 times our base rate of pay. Further as a result of such violations, the Company violated Labor Code §§ 201-203 by not paying employees all of their wages upon separation of employment due to the underpaid wages and Labor Code § 226(a) as the net/gross wages earned and hours worked shown on the wage statements were inaccurate due to the wage violations set forth above.

2. Violated Labor Code §§ 226.7 and 512 by failing to pay me and other similarly situated aggrieved employees our meal and rest period premium pay at our regular rates of pay as required by these provisions. Labor Code § 226.7(c) states that "the employer shall pay the employee one additional hour of pay at the employee's **regular rate** of compensation for each workday that the meal or rest or recovery period is not provided." Throughout our employment with the Company, other non-exempt employees and I earned non-discretionary remuneration, including, but not limited to monthly bonuses and contest incentives. As these items are non-discretionary forms of remuneration, they should have been included in the regular rate of pay for purposes of paying me and other employees our meal and rest period premium pay. However, whenever the Company paid me and other employees our meal and rest period premium pay during periods in which we earned this non-discretionary remuneration, the meal and rest period premium was always paid at less than our regular rate of pay. Further as a result of such violations, the Company violated Labor Code §§ 201-203 by not paying employees all of their wages upon

separation of employment due to the underpaid meal and rest break premiums and Labor Code § 226 by failing to accurately identifying the accurate rate of pay, and gross and net wages earned.

3. Violated Labor Code § 226 by failing to provide accurate itemized wage statements. Specifically, whenever I and other similarly situated aggrieved employees were paid overtime wages, the respective wage statements did not identify the applicable hourly rate for such wages.

The address for the Company is:

Coast Professional, Inc.
214 Expo Circle
Suite 7
West Monroe, LA 71292

Please contact my attorneys at the address/telephone number listed above if you have any questions regarding this matter.

Sincerely,

DocuSigned by:
A0C80581206C447...
Andrea Zuniga

cc: Coast Professional, Inc (by certified mail)

EXHIBIT 3