

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Subject to Court approval, this Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Sierra Pullum, individually and on behalf of others similarly situated and a as a private attorney general on behalf of the State of California (collectively, “Plaintiffs”), and Defendant Arizona Leather Company, Inc., (hereinafter, “Arizona Leather” or “Defendant(s)”). The Agreement refers to Plaintiffs and Arizona Leather collectively as “Parties” or as a “Party.”

1. DEFINITIONS.

1.1. “Action” means Plaintiffs’ lawsuit alleging wage and hour violations against Arizona Leather captioned *Sierra Pullum et al. v. Arizona Leather Company, Inc., et al.*; Case No. 37-2023-00038544-CU-OE-CTL, pending in San Diego County Superior Court.

1.2. “Address Search” means the Administrator’s search for Covered Employees’ mailing addresses using all reasonably available sources, including but not limited to the National Change of Address database, skip traces, and direct contact by the Administrator.

1.3. “Administrator” means Phoenix Settlement Administrators.

1.4. “Administration Expenses” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its costs in accordance with the Administrator’s bid to be submitted to the Court. The Administration Expenses shall not exceed \$8,000, except for a showing of good cause and as approved by the Court.

1.5. “Attorneys’ Fees” means the amounts allocated from the Gross Settlement Amount to Plaintiffs’ Counsel for reimbursement of reasonable attorneys’ fees in connection with this Settlement in an amount not to exceed 33.33% of the Gross Settlement Amount.

1.6. “Class” or “Class Member(s)” means all individuals currently or formerly employed by Arizona Leather in California as non-exempt employees who earned commission only payments during the Class Period.

1.7. “Class Counsel” or “Plaintiffs’ Counsel” means Ferraro Vega Employment Lawyers, Inc.

1.8. “Class Period” means the period from September 6, 2019 through September 9, 2024 or the date of preliminary approval, whichever is earlier.

1.9. “Class Notice” means the Notice of Class Action and PAGA Settlement, attached as **Attachment A** and including the Request for Exclusion, attached as **Attachment B**, to be mailed to Class Members and incorporated by reference into this Agreement.

1.10. “Class Response Deadline” means 45 days after the Administrator mails Notice to Class Members and shall be the last date on which Class Members may: (a) email or mail Requests for Exclusion from the Settlement, or (b) email or mail their Objection to the

Settlement. Class Members to whom the Class Notice is resent after being returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline.

1.11. “Class Representative” or “Named Plaintiff” refers to Sierra Pullum.

1.12. “Class Workweek” means any week during which a Class Member worked for Arizona Leather for at least one day during the Class Period.

1.13. “Class Workweek Estimate” means, based on a review of Defendant’s records to date, a total of 5,236 Class Workweeks.

1.14. “Court” means the San Diego County Superior Court.

1.15. “Covered Employees” means all PAGA Members and all Class Members.

1.16. “Defense Counsel” means captioned counsel of record from the law firm of Palmieri, Tyler, Wiener, Wilhelm & Waldron LLP.

1.17. “Effective Date” means the date when all of the following events have occurred: (a) this Agreement has been executed by the Named Plaintiff; (b) the Court has given preliminary approval or the Settlement; (c) notice has been given to the Covered Employees providing them with the opportunity to request exclusion from the Individual Class Payments; (d) the Court has held a Final Approval Hearing and entered a final order and judgement certifying the Covered Employees and approving this Settlement; and (e) the later of the following events: (i) the expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Settlement has elapsed without any appeal, writ, or other appellate proceeding having been filed; (ii) the dismissal of any appeal, writ, or other appellate proceeding opposing the Settlement with no right to pursue further remedies or relief; or (iii) any appeal, writ, or the issuance of such other final appellate order upholding the Court’s final order with no right to pursue further remedies or relief. If no objections are filed, the Effective Date shall be after steps (a) through (d) are completed (i.e., the date that the court has entered a final order and judgment certifying the Covered Employees and approving this Settlement Agreement).

1.18. “Employee Data” means all Covered Employees’ identifying information in Arizona Leather’s possession including their names, last-known mailing addresses, Social Security numbers, dates of employment, last-known phone numbers and number of Class Workweeks and PAGA Periods. The Employee Data shall be confidential and only provided to the Administrator. Class Counsel shall not receive a copy of this list.

1.19. “Employee’s Taxes and Required Withholding” means the employee’s share of any and all applicable federal, state, or local payroll taxes. The Employee’s Taxes and Required Withholdings will be withheld from and paid out of the Individual Settlement Payments paid from the Net Settlement Amount.

1.20. “Employer’s Taxes” means Defendant’s share of payroll taxes (e.g., Unemployment Insurance, Employment Training Tax, Social Security, and Medicare taxes) that is owed on the portion of any Class Member’s Individual Settlement Payment that constitutes

wages. The Employer's Taxes shall be separately paid by Defendant(s) and shall not be paid from the Gross Settlement Amount or Net Settlement Amount.

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

1.22. "Final Approval Hearing" means the Court's hearing on the final motion for approval of the Settlement to ascertain the fairness, reasonableness, and adequacy of the Settlement.

1.23. "Gross Settlement Amount" means the agreed upon settlement amount totaling **\$225,000.00** to be paid by Defendant(s) in full settlement of the Released Claims asserted in this case, inclusive of the Administration Expenses, the Employee's Taxes and Required Withholdings, the Attorney Fees, Litigation Costs, the Service Payment(s), and PAGA Payment. Defendant(s) shall separately pay its share of the Employer's Taxes in addition to the Gross Settlement Amount on the portion of each Individual Settlement Payments allocated as wages.

1.24. "Individual Class Payments" means the Participating Class Member's pro rata share of the Net Settlement Amount, calculated according to the number of Class Workweeks.

1.25. "Individual PAGA Payments" means the PAGA Members' pro rata share of the Net PAGA Payment, calculated according to the number of PAGA Pay Periods.

1.26. "Individual Settlement Payments" means the Individual Class Payment and the Individual PAGA Payments.

1.27. "Judgment" means the judgment entered by the Court based upon the Final Approval of the Settlement.

1.28. "Litigation Costs" means the amount incurred by Plaintiffs' Counsel to prosecute the Action, according to proof and subject to Court approval, not to exceed \$15,000.00.

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

1.30. "LWDA Payment" means the 75% share of the PAGA Payment allocated to be paid to the LWDA under Labor Code section 2699, subd. (i).

1.31. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Service Payment, Attorneys' Fees, Litigation Costs, the PAGA Payment (including the LWDA Payment), and the Administration Expenses.

1.32. "Net PAGA Payment" means the 25% share of the PAGA Payment allocated to be paid to the PAGA Employees under Labor Code section 2699, subd. (i).

1.33. "Non-Participating Class Member" means any Class Member who submits a valid and timely Request for Exclusion from the Settlement.

1.34. “Operative Complaint” means the most recently filed complaint filed by Plaintiff, i.e. the First Amended Complaint filed on November 6, 2023, asserting the following allegations: (1) Minimum Wage Violations; (2) Failure to Pay All Overtime Wages; (3) Meal Period Violations; (4) Rest Period Violations; (5) Failure to Pay for Authorized Rest Periods/Non-Productive Time; (6) Paid Sick Leave; (7) Untimely Payment of Wages; (8) Wage Statement Violations; (9) Waiting Time Penalties; (10) Failure to Reimburse Business Expenses; (11) Unfair Competition; and (12) Civil Penalties Under the Private Attorneys General Act.

1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.36. “PAGA” means California’s Private Attorneys General Act of 2004.

1.37. “PAGA Period” means September 1, 2022 through September 9, 2024.

1.38. “PAGA Payment” means \$12,000.00, which is the amount provided in exchange for the release of the PAGA claims addressed in this Settlement, and which shall be paid from the Gross Settlement Amount, with 75% of the PAGA Payment constituting the LWDA Payment, with the remaining 25% constituting the Net PAGA Payment to be allocated and paid to PAGA Members.

1.39. “PAGA Counsel” or “Plaintiffs’ Counsel” means Ferraro Vega Employment Lawyers, Inc.

1.40. “PAGA Members” means all individuals currently or formerly employed by Arizona Leather in California as non-exempt employees who earned commission only payments during the PAGA Period.

1.41. “PAGA Notice” means Named Plaintiff’s letter to Defendant(s) and the LWDA, including any amendments thereto, pursuant to Labor Code § 2699.3(a).

1.42. “PAGA Pay Period” means any pay period during which a PAGA Member worked for Defendant for at least one day during the PAGA Period.

1.43. “PAGA Pay Period Estimate” means, based on a review of Defendant’s records to date, a total of 823 PAGA Pay Periods.

1.44. “PAGA Representative” or “Named Plaintiff” refers to Sierra Pullum.

1.45. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.46. “Released Claims” means the claims being released in connection with this Settlement, as set forth in full below.

1.47. “Released Parties” means: Defendants and each former and present directors, officers, members, shareholders, owners, employees, agents, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

1.48. “Request for Exclusion” means a Class Member’s submission of a signed written request to be excluded from the Class Settlement, including on the form provided with the Class Notice.

1.49. “Service Payment(s)” means the payment to the Named Plaintiff(s) for initiating and providing services in support of the Action in an amount up to \$10,000, subject to Court approval, which also constitutes consideration for Plaintiff’s individual settlement and general release of all claims, as set forth in this Agreement.

1.50. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. MONETARY TERMS.

2.1. Gross Settlement Amount. Subject to all terms of this Agreement, Defendant shall pay the Gross Settlement Amount in connection with this Settlement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Covered Employees to submit any claim or form as a condition of payment. The Gross Settlement Amount is non-reversionary.

2.1.1. Employer Payroll Taxes: The Gross Settlement Amount does not include any employer payroll taxes owed on the Wage Portion of the Individual Class Payments, which shall be paid separately.

2.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts approved by the Court:

2.2.1. To Named Plaintiff: The Service Payment, in addition to any Individual Settlement Payment the he or she may be entitled to receive as a Covered Employee. If the Court approves a Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Service Payment(s) using IRS Form 1099. An award of less than the requested amount for the Service Payment will not give rise to a basis to abrogate the Settlement Agreement and the Court has authority under this Agreement to reduce (or increase) the Service Payment, at its discretion at the final approval stage.

2.2.2. To Plaintiffs’ Counsel: Attorneys’ Fees and Litigation Costs to Plaintiffs’ Counsel, as defined above, will be one-third and *up to* \$15,000 (subject to proof), respectively. Defendant will not oppose requests for these payments, provided the requests do not exceed these amounts. If the Court approves Attorneys’ Fees and/or Litigation Costs in an amount less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Attorneys’ Fees and Litigation Costs using one or more IRS 1099 Forms.

2.2.3. To the Administrator: Administration Expenses to the Administrator. To the extent the Administration Expenses are less or the Court approves payment

less than the Administration Expenses set forth in this Agreement, the Administrator will retain the remainder in the Net Settlement Amount.

2.2.4. To the LWDA: Subject to Court approval, the PAGA Payment will be allocated to cover any and all claims for civil penalties associated with the Released Claims that were, or could have been, brought in the Actions under PAGA based on the factual allegations in the Operative Complaint and PAGA Notice; 75% of the PAGA Payment will be paid to the LWDA (i.e., the LWDA Payment) and the remaining 25% of the PAGA Payment (i.e., the Net PAGA Payment) will be distributed to PAGA Members as penalties in exchange for a full and final release of the PAGA claims. The Court has authority under this Agreement to increase (or reduce) the PAGA Payment up to and including at the Final Approval Hearing, and the Parties respectfully reserve the right to increase (or reduce) the PAGA Payment up to and including at the final approval stage, subject to the Court's final approval. If the Court approves a PAGA Payment 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.

2.2.5. To Each Participating Class Member/Tax Allocation: An Individual Class Payment calculated by: (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by each Participating Class Member's Class Workweeks. 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 XX25% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining XX75% 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.

2.2.6. To Each PAGA Member/Tax Allocation: An Individual PAGA Payment calculated by: (a) dividing the Net Settlement Amount by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period; and (b) multiplying the result by each PAGA Members' PAGA Pay Periods. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. Covered Employees assume full responsibility and liability for any individual taxes owed on their Individual PAGA Payment.

3. SETTLEMENT FUNDING AND PAYMENTS.

3.1. Delivery of Employee Data to Administrator. Not later than 15 days after the Court grants Preliminary Approval (or approval of the Settlement in a PAGA only action), Arizona Leather will simultaneously deliver the Employee Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Covered Employees' privacy, the Administrator must maintain the Employee Data in confidence, use the Employee Data only for purposes of this Settlement, and restrict access to the Employee Data to Administrator employees who need access to the Employee Data to effect and perform under this Agreement. Arizona Leather has a

continuing duty to immediately notify Plaintiffs' Counsel if it discovers that the Employee Data omitted Covered Employees' identifying information and to provide corrected or updated Employee Data as soon as reasonably feasible. Without any extension of the foregoing deadline the Parties and their counsel must expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Employee Data.

3.2. Funding of Gross Settlement Amount. Arizona Leather shall fully fund the Gross Settlement Amount and fund the amounts necessary to fully pay its share of payroll taxes by transmitting the funds to the Administrator no later than 7 days after the Effective Date.

3.3. Payments from the Gross Settlement Amount. Within 10 days after Arizona Leather funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Settlement Payments, the Administration Expenses, the LWDA Payment, Attorneys' Fees, Litigation Costs, and Service Payment(s).

3.3.1. The Administrator will issue checks for the Individual Settlement Payments and send them to Covered Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

3.3.3. For any Covered Employee whose Individual Settlement Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds, in the name of the Covered Employee, to the State of California's Unclaimed Property Division.

3.3.4. The payment of Individual Settlement Payments shall not obligate Arizona Leather to confer any additional benefits or make any additional payments to Covered Employee beyond those specified in this Agreement.

3.3.5. The Administrator will send checks for Individual PAGA Payments to all PAGA Members, who have no right to opt-out or otherwise exclude themselves from the settlement and release of PAGA claims set forth in this Settlement.

3.4. Payments to the Responsible Tax Authorities. The Administrator will pay the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Class Payment. The Administrator shall also pay Arizona Leather's portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities.

The Administrator will calculate the amount of the Participating Class Members' and Arizona Leather's portion of payroll withholding taxes and forward those amounts to the appropriate taxing authorities.

4. RELEASES OF CLAIMS.

Effective on the date when Arizona Leather fully funds the Gross Settlement Amount and all associated employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the following releases of claims will take effect:

4.1. Named Plaintiff's General Release. Named Plaintiff, for herself and her respective former and present spouses, representatives, agents, attorneys, heirs, executors, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint or ascertained during the Action; and (b) any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, arising out of or in connection with the Named Plaintiff's employment with Arizona Leather, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date the Named Plaintiff(s) executes this Agreement. This General Release includes, without limitation: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Service Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum or overtime wages, failure to timely pay wages, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide meal periods or rest breaks, failure to provide paid sick leave, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order; (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs. Named Plaintiff's General 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. Named Plaintiff acknowledges that she may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now

knows or believes to be true but agrees, nonetheless, that Named Plaintiff's General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or their discovery of them.

4.1.1. Named Plaintiff's Section 1542 Waiver. For purposes of Named Plaintiff's General Release, Named 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.

4.2. Release by Participating Class Members: All Participating Class Members release Released Parties from any and all claims, damages, and penalties alleged in the Operative Complaint and arising out of the facts in the Operative Complaint during the Class Period, including, without limitation, claims for: (1) Minimum Wage Violations, (2) Failure to Pay All Overtime Wages, (3) Meal Period Violations, (4) Rest Period Violations, (5) Failure to Pay for Authorized Rest Periods/Non-Productive Time, (6) Paid Sick Leave Violations, (7) Untimely Payment of Wages, (8) Wage Statement Violations, (9) Waiting Time Penalties, (10) Failure to Reimburse Business Expenses, (11) Unfair Competition, and (12) Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.). 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 outside of the Operative Complaint or outside the Class Period.

4.3. Release by PAGA Members: All PAGA Members and the LWDA release Released Parties from, and are forever barred from pursuing such against Released Parties for, the PAGA claims alleged in and/or arising out of the facts alleged in the Operative Complaint during the PAGA Period, including, without limitation penalties predicated on the underlying alleged violations for: (1) Minimum Wage Violations, (2) Failure to Pay All Overtime Wages, (3) Meal Period Violations, (4) Rest Period Violations, (5) Failure to Pay for Authorized Rest Periods/Non-Productive Time, (6) Paid Sick Leave Violations, (7) Untimely Payment of Wages, (8) Wage Statement Violations, (9) Waiting Time Penalties, (10) Failure to Reimburse Business Expenses, (11) Unfair Competition, and (12) Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.).

5. MOTION FOR SETTLEMENT APPROVAL.

5.1. Preliminary Approval. Not later than 16 court days before the Final Approval Hearing, Named Plaintiff shall move for an order conditionally certifying the Class for settlement purposes only, granting Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice. Arizona Leather shall accept service of the Motion for Final Approval (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service at the

email addresses set forth in this Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement.

5.2. PAGA Approval. Plaintiffs shall prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this PAGA Settlement under Labor Code § 2699(f)(2). To effectuate Final Approval and Judgment of the Settlement of PAGA claims, Plaintiff shall prepare either a Joint Stipulation Approving PAGA Settlement (subject to Defense Counsels' review and revision) or a Motion for Approval of PAGA Settlement. Plaintiffs shall file declarations from Plaintiffs' Counsel and the Named Plaintiff to support the Settlement.

5.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Settlement or forthcoming motions or joint stipulations for approval, Plaintiffs' Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to resolve the disagreement. If the Court does not grant settlement approval or conditions any approval or review on any material change to this Agreement, Plaintiffs' Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to modify the Agreement and satisfy the Court's concerns. Should the Court decline to approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it.

6. SETTLEMENT ADMINISTRATION.

6.1. Selection of Administrator. The Parties have jointly selected the Administrator to administer this Settlement. The Administrator 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.

6.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to calculate payroll tax withholdings and report to state and federal tax authorities.

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

6.4. Notice to Class Members.

6.4.1. No later than 3 business days after receipt of the Employee Data, the Administrator shall notify Plaintiffs' Counsel that the list has been received and state the number of Covered Employees and Class Workweeks and PAGA Pay Periods in the Employee Data.

6.4.2. Using best efforts to perform as soon as possible, and no later than 14 days after receiving the Employee Data, the Administrator will send to all Class Members identified in the Employee Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Attachment A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment payable to the Class Member, and the number of Class Workweeks used to calculate these

amounts. Before mailing Class Notices, the Administrator shall update Covered Employees' addresses using the National Change of Address database.

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

6.4.4. The deadlines for Class Members' written objections, challenges to Class Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the time 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.

6.4.5. If the Administrator, Arizona Leather or Plaintiffs' Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Employee Data and should have received Class Notice, the Parties will expeditiously meet and confer in a good-faith effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

6.5. Requests for Exclusion (Opt-Outs).

6.5.1. Class Members who wish to exclude themselves (opt-out of) from the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. The Request for Exclusion form that must be completed by the Class Member is attached hereto as Exhibit 2 to the Agreement.

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

6.5.3. 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 paragraph of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

6.5.4. 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, nor shall they have the right to object to the class action components of the Settlement.

6.6. Challenges to Calculation of Class Workweeks. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks 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 Workweeks contained in the Class Notice are correct so long as they are consistent with the Employee Data. The Administrator's determination of each Class Member's allocation of Class Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Class Workweeks to Defense Counsel and Plaintiffs' Counsel and the Administrator's determination of the challenges.

6.7. Objections to Settlement.

6.7.1. Only Participating Class Members may object to the Settlement, including contesting the fairness of the Settlement.

6.7.2. Participating Class Members may send written objections to the Administrator, by email or mail. Alternatively, 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 the Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

6.8. Administrator Duties. The Administrator has a duty and is authorized to perform and observe all tasks necessary to effectuate and administer the Settlement in a manner consistent with the terms of this Agreement.

6.8.1. Email Address and Toll-Free Number. The Administrator will establish, maintain, and use its own company website with their contact information included so that Covered Employees may find the Administrator on the World Wide Web. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member telephone calls and emails.

6.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the Response Deadline, the Administrator shall email a list to Plaintiffs' Counsel and Defense Counsel containing (a) the first, middle, and last initial, as well as employee ID, of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the first, middle, and last initial, as well as employee ID, of Class Members who have submitted invalid Requests for Exclusion; and (c) redacted copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid). In the event the Court requests the full names and other identifying information related to the Class Members who submitted Requests for Exclusion from the Settlement (whether valid or invalid), Defense Counsel agrees to cooperate with Plaintiffs' Counsel by providing the requested information to the Court by way of a declaration drafted by Defense Counsel.

6.8.3. Weekly Reports. The Administrator must, on a weekly or biweekly basis, provide written reports to Plaintiffs' Counsel and Defense Counsel that 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 Workweeks received and/or resolved, and checks mailed for Individual Class Payments. The Weekly Reports must provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

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

6.8.5. Administrator's Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Plaintiffs' 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 Covered Employees, 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. Plaintiffs' Counsel is responsible for filing the Administrator's declaration(s) in Court.

6.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Plaintiffs' Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, if applicable and if requested by either Party, the Administrator will prepare, and submit to Plaintiffs' Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement.

7. ESCALATION CLAUSE. Based on its records, Arizona Leather has provided a Class Workweek Estimate, as defined above. In the event the total Class Workweeks set forth in the Class Workweek Estimate is incorrect by more than 10% (e.g., workweek count x 1.10) the Parties agree that the Gross Settlement Amount shall automatically increase proportionately for each additional workweek over this listed total.

8. EMPLOYEE ESTIMATE. Based on the records evaluated, there are an estimated 27 Class Members and 18 PAGA Members covered by this Agreement.

9. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 15% of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. If Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and neither Party shall 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. To elect to withdraw, Defendant must notify Plaintiffs' Counsel and the Court of its election to withdraw not later than 7 days after the Response Deadline.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the Final Approval Hearing, Named Plaintiff will file in Court and serve on Defendants a motion for approval of the Settlement that includes a Proposed Final Approval Order and a proposed Judgment, which shall specifically state and include a request for approval of the PAGA settlement under Labor Code § 2699, subd. (l). Plaintiffs' Counsel will provide drafts of these documents to Defense Counsel in advance of filing for Defense Counsel's review. Arizona Leather shall accept service of the Motion for Final Approval (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service at the email addresses set forth in this Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement.

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court prior to the Final Approval Hearing, or as otherwise by the Court.

10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement, the Parties will expeditiously work together through counsel in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval.

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

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Litigation Costs set forth in this Settlement, the Parties, their respective counsel, and all Covered Employees, excluding opt outs in a class action, as applicable and 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.

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Covered Employees), this Agreement shall be null and void. The Parties shall agree to 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.

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 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 the Parties that any of the allegations in the Operative Complaint or the defenses presented by Arizona Leather have merit or that there is any liability for any claims asserted or that any claims may proceed on a class, collective, or representative basis. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

12.3. 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.

12.4. Attorney Authorization. Plaintiffs' Counsel and Defense Counsel separately warrant and represent that they are authorized by the Parties, 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.

12.5. Cooperation. The Parties and their counsel will cooperate and use their best efforts, in good faith, to implement the Settlement by modifying the Settlement Agreement,

submitting supplemental evidence, and supplementing points and authorities as requested by the Court, among other things. 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.

12.6. 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.

12.7. No Tax Advice. Neither the Parties, Plaintiffs' Counsel, 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.

12.8. 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 Plaintiffs' Counsel and Defense Counsel, as their legal representatives.

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

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

12.11. 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.

12.12. 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.

12.13. 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 Saturday, Sunday, legal holiday in the State of California, or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.14. Notice. All notices or other communications between the Parties required in connection with this Agreement shall be in writing and shall be deemed to have been duly given as of the 3rd business day after mailing by U.S. Mail or the same day if sent by email, addressed as follows:

To Plaintiffs:

Ferraro Vega Employment Lawyers, Inc.

Attn: Nicholas J. Ferraro
3333 Camino del Rio South, Suite 300
San Diego, CA 92108 USA
classactions@ferrarovega.com
www.ferrarovega.com

To Defendants:

Palmieri, Tyler, Wiener, Wilhelm & Waldron LLP

Attn: Erica M. Sorosky
1900 Main Street, Suite 700
Irvine, CA 92614
esorosky@ptwww.com / staylor@ptwww.com

12.15. Execution in Counterparts. This Agreement may be executed using physical and/or electronic signatures (i.e. DocuSign, SignRequest, Adobe Sign, etc.), which shall be accepted as originals for purposes of this Agreement. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff Sierra Pullum

Sierra Pullum

Date: Sep 13, 2024

Sierra Pullum

Defendant Arizona Leather Company, Inc.

Date: _____

Name: _____

Title: _____

To Plaintiffs:

Ferraro Vega Employment Lawyers, Inc.

Attn: Nicholas J. Ferraro

3333 Camino del Rio South, Suite 300

San Diego, CA 92108 USA

classactions@ferrarovega.com

www.ferrarovega.com

To Defendants:

Palmieri, Tyler, Wiener, Wilhelm & Waldron LLP

Attn: Erica M. Sorosky

1900 Main Street, Suite 700

Irvine, CA 92614

esorosky@ptwww.com / staylor@ptwww.com

12.15. Execution in Counterparts. This Agreement may be executed using physical and/or electronic signatures (i.e. DocuSign, SignRequest, Adobe Sign, etc.), which shall be accepted as originals for purposes of this Agreement. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

SIGNATURES

I have read this Agreement and agree to its terms.

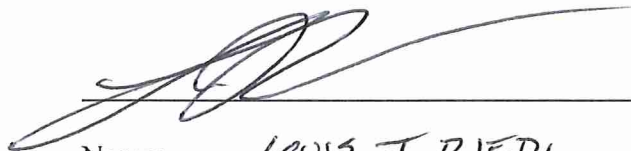
Plaintiff Sierra Pullum

Date: _____

Sierra Pullum

Defendant Arizona Leather Company, Inc.

Date: 9/23/24



Name: LOUIS F RIEDL
Title: ceo/president

Attachment A

Notice of Class Action Settlement

NOTICE OF CLASS ACTION SETTLEMENT

Sierra Pullum et al. v. Arizona Leather Company, Inc. et al.
Superior Court of the State of California for the County of San Diego
Case No. 37-2023-00038544-CU-OE-CTL

This notice is to the following individuals in connection with a pending class action settlement:

“Class” or “Class Member(s)” means all individuals currently or formerly employed by Arizona Leather in California as non-exempt employees who earned commission only payments during the Class Period “the period from September 6, 2019 through September 9, 2024 or the date of preliminary approval, whichever is earlier”.

Read this notice carefully. Your legal rights could be affected whether you act or not.

The Superior Court of the State of California for the County of San Diego (the “Court”) has preliminarily approved this class and representative action lawsuit filed by Sierra Pullum (“Class Representative”) against Arizona Leather Company, Inc. (“Arizona Leather”) for alleged wage and hour violations (the “Lawsuit”).

The Lawsuit is based on the following legal causes of action: (1) Minimum Wage Violations, (2) Failure to Pay All Overtime Wages, (3) Meal Period Violations, (4) Rest Period Violations, (5) Failure to Pay for Authorized Rest Periods/Non-Productive Time, (6) Paid Sick Leave Violations, (7) Untimely Payment of Wages, (8) Wage Statement Violations, (9) Waiting Time Penalties, (10) Failure to Reimburse Business Expenses, (11) Unfair Competition, and (12) Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.).

Arizona Leather denies all liability and claims alleged in the Lawsuit and has raised various defenses to the claims. Arizona Leather asserts that it fully complied with all applicable wage and hour laws, and contends that civil penalties under PAGA are not warranted. Arizona Leather also denies that this Lawsuit is suitable for class certification. Arizona Leather has entered into the Settlement solely for purposes of resolving this dispute to avoid costly, disruptive, and time-consuming litigation and do not admit any wrongdoing or liability.

Plaintiff asserts that all claims that she alleged in her complaint against Arizona Leather have merit and would have been suitable for class certification.

The Court has not ruled on the merits of the Lawsuit. By approving the Settlement and issuing this notice, the Court is *not* suggesting which side would win or lose the case if it went to trial or whether the claims are suitable for class certification. To avoid the additional expense, inconvenience, and risk of continued litigation, however, Plaintiff and Defendant have concluded that it is in their respective best interests and the interests of the Class Members to settle the Lawsuit on the terms summarized in this notice.

Arizona Leather’s records reflect you worked **[[Individual Workweeks]]** workweeks during the Class Period of September 6, 2019 through September 9, 2024. Based on this information, your Individual Class Payment is estimated to be \$**[[Individual Class Payment]]** (less any applicable

state and federal withholdings). The actual amount you may receive will likely be different and will depend on multiple factors, such as how many other individuals decide to opt out.

<u>YOUR OPTIONS</u>	
DO NOTHING	You do not have to do anything in response to this notice. If you do nothing, you will remain eligible to automatically receive an Individual Class Payment if the Court grants final approval of the settlement. In such case, you will be bound by the release provisions in the settlement and release your claims in exchange for compensation.
OPT OUT	You may opt out of the Settlement by submitting a Request for Exclusion form. If you opt out, you may not object to the Settlement, you will not receive an Individual Class Payment, and you shall not be bound by the release provisions in the settlement.
OBJECT	You may object to the Settlement by submitting a written objection. If the Court grants final approval of the settlement despite your objection, you will remain eligible to automatically receive an Individual Class Payment if the Court grants final approval of the settlement. In such case, you will be bound by the release provisions in the settlement.

The Court’s final approval hearing is scheduled to take place on **[[Final Approval Hearing Date]]** at **[[Final Approval Hearing Time]]** in Dept. 66 of the San Diego Superior Court, located at 330 W Broadway, San Diego, CA 92101. You do not have to attend but you do have the right to appear. ***For more information, please carefully read this notice.***

1. WHAT IS THE ACTION ABOUT?

The Class Representative is a former employee of Arizona Leather. The Class Representative alleged Arizona Leather violated California labor and employment laws as follows: (1) Minimum Wage Violations, (2) Failure to Pay All Overtime Wages, (3) Meal Period Violations, (4) Rest Period Violations, (5) Failure to Pay for Authorized Rest Periods/Non-Productive Time, (6) Paid Sick Leave Violations, (7) Untimely Payment of Wages, (8) Wage Statement Violations, (9) Waiting Time Penalties, (10) Failure to Reimburse Business Expenses, (11) Unfair Competition, and (12) Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.). Plaintiffs are represented by [Ferraro Vega Employment Lawyers](#) (“Class Counsel.”)

Arizona Leather denies all liability and claims alleged in the Lawsuit and has raised various defenses to the claims. Arizona Leather asserts that it fully complied with all applicable wage and hour laws, and contends that civil penalties under PAGA are not warranted. Arizona Leather also denies that this Lawsuit is suitable for class certification. Arizona Leather has entered into the Settlement solely for purposes of resolving this dispute to avoid costly, disruptive, and time-consuming litigation and do not admit any wrongdoing or liability.

Plaintiff asserts that all claims that she alleged in her complaint against Arizona Leather have merit and would have been suitable for class certification.

2. WHAT ARE PROPOSED SETTLEMENT TERMS?

At the Final Approval Hearing, the Class Representative, through Class Counsel, will ask the Court to approve a Gross Settlement Amount of \$225,000.00 and authorize the following deductions: Service Payment (\$10,000.00), Attorneys' Fees in the amount of 33.33% of the Gross Settlement (\$74,992.50), Litigation Costs (not to exceed \$15,000.00), the LWDA's 75% portion of the PAGA Payment (\$9,000.00), and the Administration Expenses to be paid to the third-party settlement administrator (estimated at \$8,000.00).

After making the above deductions in amounts approved by the Court, the Administrator will calculate and distribute making Individual Class Payments to Participating Class Members based on their Class Workweeks. 25% of each Individual Class Payment shall constitute taxable wages ("Wage Portion") and 75% shall constitute interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Arizona Leather will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

You will be treated as a Participating Class Member, participating fully in the settlement, unless you submit a signed Request for Exclusion by the **[[Response Deadline]]** "Response Deadline" to the following address:

Phoenix Settlement Administrators

P.O. Box 7208

Orange, CA, 92863

(800) 523-5773

<https://www.phoenixclassaction.com/contact-us/class-member-inquiries/>

After the Judgment is final and Arizona Leather has fully funded the settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the settlement, as follows:

All Participating Class Members release Released Parties from any and all claims, damages, and penalties alleged in the Operative Complaint and arising out of the facts in the Operative Complaint during the Class Period, including, without limitation, claims for: (1) Minimum Wage Violations, (2) Failure to Pay All Overtime Wages, (3) Meal Period Violations, (4) Rest Period Violations, (5) Failure to Pay for Authorized Rest Periods/Non-Productive Time, (6) Paid Sick Leave Violations, (7) Untimely Payment of Wages, (8) Wage Statement Violations, (9) Waiting Time Penalties, (10) Failure to Reimburse Business Expenses, (11) Unfair Competition, and (12) Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.). 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 outside of the Operative Complaint or outside the Class Period.

All PAGA Members and the LWDA release Released Parties from, and are forever barred from pursuing such against Released Parties for, the PAGA claims alleged in and/or arising out of the facts alleged in the Operative Complaint during the PAGA Period, including, without limitation penalties predicated on the underlying alleged violations for: (1) Minimum Wage Violations, (2) Failure to Pay All Overtime Wages, (3) Meal Period Violations, (4) Rest Period Violations, (5) Failure to Pay for Authorized Rest Periods/Non-Productive Time, (6) Paid Sick Leave Violations, (7) Untimely Payment of Wages, (8) Wage Statement Violations, (9) Waiting Time Penalties, (10) Failure to Reimburse Business Expenses, (11) Unfair Competition, and (12) Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.).

3. HOW IS MY INDIVIDUAL CLASS SETTLEMENT CALCULATED?

The number of Class Workweeks you worked during the Class Period are stated on the first page of this Class Notice. The Administrator will calculate your Individual Class Payments by (1) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members, and then (2) multiplying the result by the number of Class Workweeks worked by each respective Participating Class Member. In other words, you will receive a proportional recovery based on your length of employment in relation to other Class Members.

4. HOW CAN I CORRECT THE NUMBER OF CLASS WORKWEEKS?

You have until the Response Deadline to correct or challenge the number of Class Workweeks. You can submit your challenge by signing and sending a letter to the Administrator via mail or email to the Administrator at the following address:

Administrator:

Phoenix Settlement Administrators

P.O. Box 7208

Orange, CA, 92863

(800) 523-5773

<https://www.phoenixclassaction.com/contact-us/class-member-inquiries/>

The Administrator will accept Arizona Leather's calculation of Class Workweeks 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.

5. HOW WILL I GET PAID?

The Administrator will send, by U.S. mail, a single check to every Participating Class Member following the Effective Date of this Settlement. Your check will be sent to the same address as this notice. If you change your address at any time prior to being paid, notify the Administrator as soon as possible.

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

Complete the attached Request for Exclusion form and mail or email it to the Administrator before the Response Deadline at the following address:

Administrator:

Phoenix Settlement Administrators

P.O. Box 7208

Orange, CA, 92863

(800) 523-5773

<https://www.phoenixclassaction.com/contact-us/class-member-inquiries/>

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement by submitting a written objection to the Administrator before the Response Deadline. To object, please provide a written statement to the Administrator advising what you object to, why you object, and any facts that support your objection. Please sign the objection and identify the Action and include your name, current address, telephone number, and your approximate dates of employment.

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.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You may, but are not required to, attend the Final Approval Hearing on **[[Final Approval Hearing Date]]** at **[[Final Approval Hearing Time]]** in Dept. 66 of the San Diego County Superior Court, located at 330 W Broadway, San Diego, CA 92101. 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 the LWDA, Class Counsel, the Class Representative(s), and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision.

It is possible the Court will reschedule the Final Approval Hearing. Please review the Court's online docket or contact the Administrator or Class Counsel to verify the date and time of the Final Approval Hearing if you believe it may have been continued or otherwise changed.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Arizona Leather and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other Settlement documents is to go to the Court's website, access the Register of Actions, and search

for the case using the case number at the top of this notice. You can also telephone or send an email to Class Counsel at the address below:

Class Counsel

Nicholas J. Ferraro (State Bar No. 306528)

Lauren N. Vega (State Bar No. 306525)

Ferraro Vega Employment Lawyers, Inc.

3333 Camino del Rio South, Suite 300

San Diego, California 92108

(619) 693-7727 telephone

classactions@ferrarovega.com

ferrarovega.com

10. WHAT IF I LOSE MY SETTLEMENT CHECK OR FAIL TO CASH IT?

If you lose or misplace your settlement check, the Administrator will replace it if you request a replacement before the void date on the face of the original check. If your check is already void or you have otherwise failed to cash it, it will be provided to the State of California's Unclaimed Property Division in your name. For more information, please review how to process a claim for your funds with the State of California, https://www.sco.ca.gov/upd_form_claim.html.

PLEASE DO NOT CONTACT THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

Attachment B

Request for Exclusion Form

Request for Exclusion Form

Sierra Pullum et al. v. Arizona Leather Company, Inc. et al.
Superior Court of the State of California for the County of San Diego
Case No. 37-2023-00038544-CU-OE-CTL

By signing and returning this form, I confirm that I do not want to be included in the Settlement or receive a settlement check in the class action lawsuit referenced above.

I understand that by opting out, I am giving up my right to receive any payments in this Settlement. To “opt out,” this form must be postmarked no later than **[[Response Deadline]]** and mailed via U.S. Mail to the following address:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863
(800) 523-5773

<https://www.phoenixclassaction.com/contact-us/class-member-inquiries/>

If you submit this request for exclusion form, you will **not** receive an individual settlement payment under the class action portion of the Settlement, and you will not be bound by the release set forth in the Settlement if the Court grants final approval of the Settlement. You will be excluded from the class action portion of the Settlement, and will not be a Class Member in this case.

If you are entitled to receive a share of the PAGA Payment, you will receive your portion of the PAGA Payment even if you elect to exclude yourself from the class action portion of the Settlement. The employees who are entitled to receive a share of the PAGA Payment are those who meet the following definition: all individuals currently or formerly employed by Arizona Leather in California as non-exempt employees who earned commission only payments during the PAGA Period. The “PAGA Period” is defined for these purposes to mean September 1, 2022 through September 9, 2024.

I confirm I have reviewed the Notice of Class Action Settlement. I have decided to be excluded from the class and **not** participate in the proposed settlement or receive an individual settlement check I am otherwise entitled to receive.

Dated: _____

(Signature)

(Last Four Digits of SSN)

(Type or print name and former name(s))

(Telephone Number)

(Address)