

1 This Joint Stipulation and Settlement Agreement to Resolve Class Action and PAGA Claims
2 (the “**Agreement**,” “**Settlement**,” or “**Settlement Agreement**”) is entered into to resolve the action,
3 *Guerrero, et al. v. SAR California Holdco Inc. dba Sarku Japan*, Kern County Superior Court Case
4 No. BCV-23-104255. This agreement is entered into between Plaintiffs Gabriela Guerrero, Osmin
5 Chavarria Mejia, Elmer Chavarria Mejia, and Rafael Menjivar Castellanos (collectively,
6 “**Plaintiffs**”) and Defendant SAR California Holdco, Inc. dba Sarku Japan (“**Sarku**” or
7 “**Defendant**,” and, collectively with Plaintiffs, the “**Parties**”).

8 **DEFINITIONS**

9 1. **Action**. “**Action**” means *Guerrero, et al. v. SAR California Holdco Inc. dba Sarku*
10 *Japan*, Kern County Superior Court Case No. BCV-23-104255.

11 2. **Aggrieved Employees**. “**Aggrieved Employees**” means all current and former non-
12 exempt employees who worked for Defendant in the State of California at any time during the
13 PAGA Period.

14 3. **Agreement, Settlement, or Settlement Agreement**. “**Agreement**,” “**Settlement**,” or
15 “**Settlement Agreement**” means this Joint Stipulation and Settlement Agreement to Resolve Class
16 Action and PAGA Claims, entered into by the Parties to resolve the Action.

17 4. **Attorneys’ Fees and Costs**. “**Attorneys’ Fees and Costs**” means the amount
18 authorized by the Court for: (i) an award of attorneys’ fees to Class Counsel for litigation and
19 resolution of the matter, in an amount that does not exceed 35% of the Gross Settlement Amount;
20 and (ii) reimbursement of actual costs incurred by Class Counsel in connection with the Action.

21 5. **Class or Class Members**. “**Class**” or “**Class Members**” means all current and former
22 non-exempt employees who worked for Defendant in the State of California at any time during the
23 Class Period, excluding those individuals who have already released, assigned, or otherwise
24 forfeited the claims asserted in the Action as set forth in Paragraph 65 (“No Double Recovery”).

25 6. **Class Counsel**. “**Class Counsel**” means Jonathan M. Genish, Miriam L. Schimmel,
26 Joana Fang, and Alexandra Rose of Blackstone Law, APC, and Emil Davtyan, David Yeremian,
27 Roman Shkodnik, Enoch J. Kim, Amanda Fazio, and Eric J. Naessig of D. Law, Inc.

1 7. Class Notice. “**Class Notice**” means the Notice of Class Action Settlement, attached
2 as **Exhibit A** to this Agreement, or a substantially similar notice approved by the Court.

3 8. Class Period. “**Class Period**” refers to the period which begins on October 22, 2022,
4 and which ends on December 31, 2024.

5 9. Class Released Claims. “**Class Released Claims**” means any and all claims, arising
6 during the Class Period, that have been, or could have been, asserted against Defendant and any of
7 the other Released Parties based on the facts, matters, transactions or occurrences alleged in the
8 Operative Complaint, including, but not limited to, the following claims: failure to pay all wages
9 earned for all hours worked at the correct rate including minimum, regular, and overtime wages;
10 failure to provide meal periods or additional premium pay in lieu thereof at the correct rate; failure
11 to provide rest breaks or additional premium pay in lieu thereof at the correct rate; failure to provide
12 notice of and/or paid sick leave; failure to pay vested vacation time at termination; failure to pay
13 waiting time penalties; failure to reimburse necessary business expenses; failure to timely pay wages
14 upon separation; failure to timely pay wages owed during employment; failure to issue accurate
15 itemized wage statements; failure to maintain accurate payroll records; failure to produce requested
16 employment records; including claims for violations of California Labor Code §§ 201–204, 210,
17 218.5, 218.6, 221, 223, 226, 226.3, 226.4, 226.7, 227.3, 245–248.6, 432, 510, 512, 558, 558.1, 1174,
18 1174.5, 1182.11, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, 2926,
19 and 2927; related violations of the applicable California Wage Orders; and related violations of
20 California Business and Professions Code section 17200, *et seq.*

21 10. Court. “**Court**” means the Kern County Superior Court where the Action is currently
22 pending.

23 11. Defendant. “**Defendant**” means SAR California Holdco dba Sarku Japan.

24 12. Effective Date. The “**Effective Date**” of this Agreement will be the later of (i) the
25 61st day after service of notice of entry of the Final Approval Order and Judgment, if no appeal,
26 review, or writ has been filed; or (ii) if an appeal, review, or writ is sought from the Final Approval
27 Order and Judgment, the day after the Final Approval Order and Judgment are affirmed or the
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1 appeal, review, or writ is dismissed or denied, and the Final Approval Order and Judgment are no
2 longer subject to further judicial review. The Effective Date is conditioned upon the Court's having
3 entered a Final Approval Order and Judgment as set forth in this Agreement.

4 13. Enhancement Awards. "**Enhancement Awards**" means the amounts the Court
5 authorizes to be paid to the Named Plaintiffs in addition to their Individual Settlement Payment and
6 Individual PAGA Payment, in recognition of their efforts and work in prosecution of the Action, up
7 to \$10,000.00 to each Named Plaintiff (not to exceed \$40,000.00).

8 14. Final Hearing Date. "**Final Hearing Date**" means the date set by the Court for the
9 hearing on final approval of the Settlement Agreement.

10 15. Final Approval Order and Judgment. "**Final Approval Order and Judgment**"
11 means the order granting final approval of the Settlement Agreement and judgment.

12 16. Gross Settlement Amount. "**Gross Settlement Amount**" means the total settlement
13 payment Defendant has agreed to make under this Settlement Agreement. The Gross Settlement
14 Amount is \$390,000.00, subject to the escalator provision in paragraph 50(a)(ii) below. The
15 employer payroll taxes will be paid separately from, and in addition to, the Gross Settlement
16 Amount.

17 17. Individual PAGA Payment. "**Individual PAGA Payment**" means a payment to an
18 Aggrieved Employee of their share of the PAGA Payment as set forth in this Settlement Agreement.

19 18. Individual Settlement Payment. "**Individual Settlement Payment**" means the
20 individual settlement payment allocated to each Participating Class Member and/or Aggrieved
21 Employee as set forth in this Settlement Agreement, which consists of the Participating Class
22 Member Payment and the Individual PAGA Payment to the extent an employee is eligible for either
23 or both.

24 19. LWDA. "**LWDA**" means the California Labor and Workforce Development
25 Agency.

26 20. Named Plaintiffs or Plaintiffs. "**Named Plaintiffs**" or "**Plaintiffs**" means Gabriela
27 Guerrero, Osmin Chavarria Mejia, Elmer Chavarria Mejia, and Rafael Menjivar Castellanos.
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21. Notice Period. “**Notice Period**” means the time period commencing on the date the Class Notice is mailed to Class Members and ending 60 calendar days thereafter unless a notice is re-mailed to a Class Member, in which case the Notice Period shall end either 60 calendar days after mailing or 15 calendar days after re-mailing, whichever is later.

22. Net Class Settlement Amount. “**Net Class Settlement Amount**” means the settlement amount to be distributed to Participating Class Members, which is the Gross Settlement Amount less Attorneys’ Fees and Costs, the Enhancement Awards, the PAGA Amount, and Settlement Administration Costs.

23. PAGA Amount. “**PAGA Amount**” means the amount of \$30,000.00, subject to the escalator provision in paragraph 50(a)(ii) below, which represents the portion of the Gross Settlement Amount allocated to the settlement of the PAGA Released Claims. The PAGA Amount is paid from the Gross Settlement Amount, and will be allocated as set forth in this Agreement. The Parties agree that 75% of the PAGA Amount (currently estimated to be \$22,500.00) will be paid to the LWDA as the “**LWDA Payment**,” and the remaining 25% (currently estimated to be \$7,500.00) will be allocated to the Aggrieved Employees as the “PAGA Payment.”

24. PAGA Released Claims. “**PAGA Released Claims**” means all claims for penalties under California Labor Code Section 2698, arising during the PAGA Period against the Released Parties that have been, or could have been, asserted based on the facts, matters, transactions, or occurrences alleged in Plaintiffs’ PAGA notices to the LWDA and the Operative Complaint, including, but not limited to, the following claims: failure to pay all wages earned for all hours worked at the correct rate including minimum, regular, and overtime wages; failure to provide meal periods or additional premium pay in lieu thereof at the correct rate; failure to provide rest breaks or additional premium pay in lieu thereof at the correct rate; failure to provide notice of and/or paid sick leave; failure to pay vested vacation time at termination; failure to pay waiting time penalties; failure to reimburse necessary business expenses; failure to timely pay wages upon separation; failure to timely pay wages owed during employment; failure to issue accurate itemized wage statements; failure to maintain accurate payroll records; failure to produce requested employment

1 records; including claims for violations of California Labor Code §§ 201, 201.3, 202–204, 210,
2 218.5, 218.6, 221, 223, 226, 226.3, 226.4, 226.7, 227.3, 245–248.6, 432, 510, 512, 558, 558.1, 1174,
3 1174.5, 1182.11, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 2698,
4 2699.5, 2800, 2802, 2926, and 2927; and related violations of the applicable California Wage
5 Orders.

6 25. PAGA Period. “**PAGA Period**” refers to the period that begins on October 22, 2022,
7 and which ends on December 31, 2024, or, at the option of Defendant, any later date on or before
8 the date the Court grants preliminary approval of the Settlement, subject to the escalator provision
9 in paragraph 50(a)(ii) below.

10 26. Participating Class Member. “**Participating Class Member**” means each Class
11 Member who has not timely opted out of the Settlement Agreement.

12 27. Parties. “**Parties**” means the Defendant and the Named Plaintiffs, individually and
13 on behalf of all Class Members and Aggrieved Employees. Each of the Parties may be referred to
14 in the singular as a “**Party**.”

15 28. Preliminary Approval Order. “**Preliminary Approval Order**” means the order from
16 the Court preliminarily approving this Settlement Agreement.

17 29. Released Parties. “**Released Parties**” means and includes Sarku and its current and
18 former parents, predecessors or successors, holding companies, affiliated entities, owners,
19 shareholders, members, partners, officers, directors, managers, employees, insurers, and agents.

20 30. Settlement Administrator. “**Settlement Administrator**” means CPT Group, Inc. or
21 such other third-party administrator chosen by the Parties and approved by the Court.

22 31. Settlement Administration Costs. “**Settlement Administration Costs**” means the
23 costs of settlement administration, including costs of notice to Class Members, distributing
24 settlement payments, and any other fees and costs incurred or charged by the Settlement
25 Administrator in connection with the execution of its duties under this Settlement Agreement.

32. Settlement Hearing. “**Settlement Hearing**” means the hearing on the Final Hearing Date at which the Court will determine whether to fully and finally approve the fairness and reasonableness of this Settlement Agreement.

RECITALS

33. On October 20, 2023, Named Plaintiff Gabriela Guerrero submitted a PAGA notice to the LWDA alleging various Labor Code violations by Sarku.

34. On December 26, 2023, Named Plaintiff Gabriela Guerrero filed a PAGA complaint against Defendant in a case styled *Guerrero v. SAR California Holdco Inc. dba Sarku Japan*, Kern County Superior Court Case No. BCV-23-104255. The Complaint alleged a single PAGA cause of action against Defendant seeking penalties for alleged (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or premiums in lieu thereof; (4) failure to provide rest periods or premiums in lieu thereof; (5) failure to timely pay wages; (6) waiting time penalties; (7) wage statement violations; (8) record keeping violations; and (9) failure to indemnify.

35. On January 9, 2024, Named Plaintiffs Osmin Chavarria Mejia, Elmer Chavarria Mejia, and Rafael Mejivar Castellanos submitted a PAGA notice to the LWDA alleging various Labor Code violations by Sarku.

36. On January 11, 2024, Named Plaintiffs Osmin Chavarria Mejia, Elmer Chavarria Mejia, and Rafael Mejivar Castellanos filed a class action Complaint against Defendant in an action styled *Osmin Chavarria Mejia, et al. v. SAR California Holdco Inc. dba Sarku Japan*, Monterey County Superior Court Case No. 24CV000168 (the “**Mejia Action**”). The Complaint alleged that Sarku violated various wage-and-hour laws, including: (1) failure to pay all wages and overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to pay vacation wages; (6) failure to comply with Labor Code § 245 *et seq.* and 246; (7) wage statement violations; (8) record keeping violations; (9) failure to provide requested employment records; (10) failure to indemnify; (11) waiting time penalties; and (12) violation of the Unfair Competition Law.

37. On March 14, 2024, Named Plaintiffs Osmin Chavarria Mejia, Elmer Chavarria

1 Mejia, and Rafael Mejivar Castellanos filed a First Amended Complaint (“FAC”) in the *Mejia*
2 Action. The FAC alleged the same claims as the original complaint, and added an additional PAGA
3 cause of action which sought civil penalties for alleged wage-and-hour violations.

4 38. On December 17, 2024, the Parties participated in a full-day mediation with Gig
5 Kyriacou of Kyriacou Mediation (the “**Mediator**”), a respected mediator of complex wage-and-
6 hour actions. The Parties, with the assistance of the Mediator’s evaluations, reached the settlement
7 that is memorialized in this Agreement.

8 39. On or about November 6, 2025, Named Plaintiffs filed a First Amended Class and
9 Representative Action Complaint (“**Operative Complaint**”), which added Osmin Chavarria Mejia,
10 Elmer Chavarria Mejia, and Rafael Mejivar Castellanos as named plaintiffs in the Action and added
11 the entirety of the class and PAGA claims from the *Mejia* Action in the Action, a condition of which
12 is essential and material to this Settlement Agreement.

13 40. The Named Plaintiffs Osmin Chavarria Mejia, Elmer Chavarria Mejia, and Rafael
14 Mejivar Castellanos agree to file dismissal documents in the *Mejia* Action without prejudice, a
15 condition of which is essential and material to this Settlement Agreement.

16 41. Defendant denies that it engaged in any misconduct in connection with the wage-
17 and-hour practices associated with the Class Members and/or the Aggrieved Employees. Defendant
18 further denies that it has any liability of any kind associated with the claims alleged in the Action.
19 Defendant contends that it has complied with both federal and state wage-and-hour laws, and all
20 other laws regulating its relationships with the Class Members and the Aggrieved Employees,
21 including the Named Plaintiffs.

22 42. Class Counsel has investigated the facts relating to the Action. Settlement
23 discussions were conducted at arm’s length during a full-day mediation with a neutral third-party
24 mediator, and the Settlement is the result of an informed and detailed analysis of Defendant’s
25 potential liability and exposure in relation to the costs and risks associated with continued litigation.
26 Based on the documents and data produced, as well as Class Counsel’s own independent
27 investigation and evaluation, Class Counsel believes that the settlement documented by this
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1 Settlement Agreement is fair, reasonable, and adequate, and in the best interest of the Class in light
2 of all known facts and circumstances, including the risk of significant delay and defenses asserted
3 to the merits of the Action. While Defendant specifically denies any liability in the Action,
4 Defendant has agreed to enter into this Settlement to avoid the costs associated with defending the
5 Action.

6 **TERMS AND CONDITIONS**

7 NOW, THEREFORE, in consideration of the recitals listed above and the promises and
8 warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of
9 the consideration and undertakings set forth below, Named Plaintiffs, individually and on behalf of
10 the Class Members, Aggrieved Employees, and, to the extent permitted by law, the State of
11 California, and Defendant agree that the Action shall be and is finally and fully compromised and
12 settled on the following terms and conditions:

13 43. **Non-Admission Of Liability.** The Parties enter into this Settlement Agreement to
14 resolve the dispute that has arisen between them and to avoid the burden, expense and risk of
15 continued litigation. In entering into this Settlement Agreement, Defendant and the other Released
16 Parties do not admit, and specifically deny, that they have violated any federal, state, or local law;
17 violated any regulations or guidelines promulgated pursuant to any statute or any other applicable
18 laws, regulations or legal requirements; breached any contract; violated or breached any duty;
19 engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with
20 respect to the Class or the Aggrieved Employees. Neither this Settlement Agreement, nor any of its
21 terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission
22 or concession by Defendant or any of the other Released Parties of any such violations or failures
23 to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this
24 Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered
25 or received as evidence in any action or proceeding to establish any liability or admission on the
26 part of Defendant or to establish the existence of any condition constituting a violation of, or a non-
27 compliance with, federal, state, local or other applicable law.

1 44. Conditional Nature Of Settlement. For settlement purposes *only*, the Parties agree
2 that (a) a class may be certified in the Action pursuant to California Code of Civil Procedure Section
3 382, and (b) the Action may proceed as a PAGA representative action.

4 a. The Parties intend their settlement to be contingent upon the preliminary and
5 final approval of each and every material term of this Settlement Agreement, without material
6 modification. The Parties and their respective counsel shall use their respective best efforts to obtain
7 Court approval and implement this Settlement Agreement in accordance with its terms. If the Court
8 does not so approve this Settlement Agreement, the Parties agree to meet and confer to address the
9 Court's concerns. If the Parties are unable to agree upon a resolution, the Parties agree to refer their
10 dispute to the Mediator for informal assistance in seeking a resolution. If thereafter the Parties are
11 unable to resolve the dispute, the Parties intend this Settlement Agreement to become null and void,
12 and unenforceable, in which event the settlement terms set forth in this Settlement Agreement,
13 including any modifications made with the consent of the Parties, and any action taken or to be taken
14 in connection with this Settlement Agreement shall be terminated and shall become null and void
15 and have no further force or effect, and the class certified for settlement purposes pursuant to this
16 Settlement Agreement will be decertified for all purposes.

17 b. In the event the Court does not grant preliminary or final approval of the
18 Parties' settlement, or in the event that this Settlement Agreement shall terminate or the settlement
19 embodied in this Settlement Agreement does not become effective for any reason, the Settlement
20 Agreement and all negotiations, court orders and proceedings relating to the Settlement Agreement
21 shall be without prejudice to the rights of the Named Plaintiffs, Class Members, Aggrieved
22 Employees, and Defendant, each of whom shall be restored to their respective positions existing
23 prior to the execution of this Settlement Agreement, and evidence relating to the Settlement
24 Agreement and all negotiations shall not be discoverable or admissible in the Action or any other
25 litigation. Defendant does not waive, and instead expressly reserves, its rights to challenge the
26 propriety of class certification and/or the Action proceeding on a representative basis for any
27 purpose should the Court not grant preliminary or final approval of the Settlement Agreement.

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1 45. Participating Class Members' Release Of Claims. Upon the Effective Date and full
2 funding of the Gross Settlement Amount and the Employer's Taxes, the Named Plaintiffs and all
3 Participating Class Members shall be deemed to have fully, finally, and forever released, settled,
4 compromised, relinquished, and discharged any and all of the Released Parties from the Class
5 Released Claims that arose during the Class Period.

6 a. This release by the Named Plaintiffs and each Participating Class Member is
7 intended to settle any and all of the Class Released Claims that any of them may have against
8 Defendant or any of the Released Parties during the Class Period.

9 b. Because it is impossible or impracticable to have each Class Member execute
10 this Agreement, the Class Notice will advise all Class Members of the binding nature of the release
11 and such notice will have the same force and effect as if the Agreement were executed by each Class
12 Member.

13 46. Aggrieved Employees' Release of PAGA Claim. Upon the Effective Date and full
14 funding of the Gross Settlement Amount and the Employer's Taxes, the Named Plaintiffs, as
15 representatives for the State of California and all Aggrieved Employees (to the extent permitted by
16 law) shall be deemed to have fully, finally, and forever released, settled, compromised,
17 relinquished, and discharged any and all of the Released Parties from the Released PAGA Claims
18 that arose during the PAGA Period.

19 47. General Release By The Named Plaintiffs. Upon the Effective Date and full funding
20 of the Gross Settlement Amount and the Employer's Taxes, the Named Plaintiffs fully release and
21 discharge Defendant and the other Released Parties from the Released Class Claims, Released
22 PAGA Claims, and any other claims that the Named Plaintiffs now have or claim to have, or has
23 ever had or claimed to have, against Defendant and the Released Parties up until their execution of
24 this Settlement Agreement. Without limiting the generality of the foregoing, the Named Plaintiffs
25 specifically and expressly release to the maximum extent permitted by law any claims against
26 Defendant and the Released Parties arising out of or relating to the Named Plaintiffs' employment
27 or the termination of their employment with Defendant and any other Released Party. This general
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1 release by the Named Plaintiffs includes a waiver of Named Plaintiffs' rights under Civil Code
2 Section 1542, which provides: "A general release does not extend to claims that the creditor or
3 releasing party does not know or suspect to exist in his or her favor at the time of executing the
4 release and that, if known by him or her, would have materially affected his or her settlement with
5 the debtor or released party."

6 48. No Prior Assignments. The Named Plaintiffs represent and warrant that they have
7 not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or
8 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action,
9 or rights released and discharged by this Settlement Agreement.

10 49. Settlement Payments And Calculation Of Claims. Subject to final Court approval
11 and the conditions specified in this Agreement, and in consideration of the mutual covenants and
12 promises set forth in this Agreement, Defendant agrees to pay the Gross Settlement Amount of
13 \$390,000.00, subject to the escalator provision in paragraph 50(a)(i) of the Settlement. The Gross
14 Settlement Amount includes, but is not limited to, payments to be made to Participating Class
15 Members, Class Counsel's Attorneys' Fees and Costs, Enhancement Awards to the Named
16 Plaintiffs, the PAGA Amount, and Settlement Administration Costs. For the avoidance of doubt,
17 subject to the conditions set forth in this Settlement Agreement, Defendant shall not be required to
18 pay any amount over \$390,000.00 (subject to the escalator provision in paragraph 50(a)(i) of the
19 Settlement) for this Settlement Agreement, apart from the employers' share of applicable payroll
20 taxes which will be paid by Defendant in addition to the Gross Settlement Amount, and as set forth
21 in Paragraph 50. None of the Gross Settlement Amount will revert to Defendant.

22 50. Settlement Escalator. The Settlement is based on the representation that there were
23 no more than 9,800 pay periods during the period from October 22, 2022, through December 17,
24 2024. If the total number of pay periods during the PAGA Period increases to a figure that is greater
25 than 10,780 (10% above 9,800), Defendant will have the choice of: (a) paying a proportional
26 increase in the PAGA Amount for each additional pay period over 10,780, which will be added to
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1 the Gross Settlement Amount; or (b) modifying the end date of the PAGA Period to a date that
2 avoids incurring any pro-rata increase.

3 a. Example: If the total number of pay periods through the date the Court grants
4 preliminary approval of the Settlement, is 11,172 (*i.e.*, 14% higher than 9,800), Defendant would
5 have the following options:

6 i) Increase only the PAGA Amount by 4% (*i.e.*, \$1,200.00) (which
7 would be added to the Gross Settlement Amount), in which case the PAGA Period would end on,
8 and include, the date the Court grants preliminary approval of the Settlement; or

9 ii) Not increase the PAGA Amount and end the PAGA Period on
10 whatever date will result in pay periods of 10,780 or less.

11 51. Apportionment of Gross Settlement Amount. The Parties agree, subject to Court
12 approval and the conditions specified in this Agreement, that the Gross Settlement Amount shall be
13 apportioned as follows:

14 a. Class Counsel Attorneys' Fees and Costs: At the final approval hearing,
15 Class Counsel will apply to the Court for an award of attorneys' fees of no more than thirty-five
16 percent (35%) of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 50
17 of this Agreement, equals \$136,500.00. Class Counsel will also apply to the Court for an award of
18 actual costs incurred by Class Counsel not to exceed the amount of \$25,000.00. These fees and
19 costs are included in, and shall come from, the Gross Settlement Amount. Blackstone Law, APC
20 and D.Law, Inc. will be issued an IRS Form 1099 for any fees and costs awarded by the Court
21 pursuant to this Paragraph 51.a. Except as provided in this Paragraph 51.a, each Party will bear its
22 own attorneys' fees, costs, and expenses incurred in the prosecution, defense, or settlement of the
23 Action. If the Court awards a lower amount of Attorneys' Fees and Costs than the amount requested,
24 any amount not awarded will be part of the distribution to the Participating Class Members as set
25 forth in this Agreement and shall not be a reason to invalidate/terminate this Agreement.

26 b. Settlement Administration Costs: At the final approval hearing, Class
27 Counsel will apply to the Court for approval of Settlement Administration Costs, currently estimated
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1 at \$10,500. These costs are included in, and shall come from, the Gross Settlement Amount. If the
2 actual amount of the Settlement Administration Costs is less than \$10,500, the difference shall be
3 added to the Net Class Settlement Amount. If the Settlement Administration Costs exceed \$10,500
4 then such excess will be paid solely from the Gross Settlement Amount and Defendant will not be
5 responsible for paying any additional funds in order to pay these additional costs.

6 c. Named Plaintiffs Enhancement Awards: At the final approval hearing, Class
7 Counsel will apply to the Court for an award of up to \$10,000.00 to each of the Named Plaintiffs
8 (not to exceed \$40,000) as Enhancement Awards for their services and for assuming the risks
9 associated with this litigation and for the time spent in assisting Class Counsel to litigate the Action.
10 Defendant will not oppose such application. The Enhancement Awards are included in, and shall
11 come from, the Gross Settlement Amount. The Named Plaintiffs will be issued an IRS Form 1099
12 for the Enhancement Awards approved by the Court pursuant to this Paragraph. The Enhancement
13 Awards payable to the Named Plaintiffs shall be in addition to any payment they may receive
14 pursuant to Paragraph 51.e, below. If the Court awards less than the amounts requested, any amount
15 not awarded will be part of the distribution to the Participating Class Members as set forth in this
16 Agreement and shall not be a reason to invalidate/terminate this Agreement.

17 d. PAGA Amount: At the final approval hearing, Class Counsel will apply to
18 the Court for approval of the PAGA Amount of \$30,000.00, subject to the escalator provision in
19 paragraph 50(a)(i) of the Settlement Agreement, for claims for civil penalties asserted under PAGA.
20 Class Counsel will submit notice of this Settlement Agreement to the LWDA, as required by Labor
21 Code § 2699(l)(2). The Parties agree that 75% of the PAGA Amount (currently estimated to be
22 \$22,500.00) will be paid to the LWDA as the “**LWDA Payment**,” and the remaining 25% (currently
23 estimated to be \$7,500.00) will be allocated to the Aggrieved Employees as the “**PAGA Payment**.”
24 The portion of the PAGA Payment allocated to each of the Aggrieved Employees will be calculated
25 using the same formula as set forth in Paragraph 51.e. Any Class Members who worked during the
26 PAGA Period and who opts out of the Settlement will still be considered Aggrieved Employee for
27 purposes of this Paragraph 51.d and, therefore, will (i) receive their portion of the PAGA Payment
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1 (the Individual PAGA Payment); and (ii) release all Released PAGA Claims against the Released
2 Parties.

3 e. Individual Settlement Payments. The Individual Settlement Payments shall
4 consist of: (i) each Participating Class Member's *pro rata* portion of the Net Class Settlement
5 Amount (the "**Participating Class Member Payment**"); and (ii) if applicable, each Aggrieved
6 Employee's *pro rata* portion of the PAGA Payment (the Individual PAGA Payment).

7 i) Participating Class Member Payment: After deducting the approved
8 amounts specified in Paragraphs 51.a–d above, each Participating Class Member will be entitled to
9 a *pro rata* portion of the remaining amount. Participating Class Member Payments will be
10 calculated from the Net Class Settlement Amount based on the respective number of pay periods
11 worked by each Participating Class Member in a non-exempt position during the Class Period. All
12 Class Members will be deemed to have worked during at least one pay period during the Class
13 Period. Each Participating Class Member's share of the Net Class Settlement Amount will be
14 calculated by dividing the Participating Class Member's pay periods worked in a non-exempt
15 position by the total number of pay periods worked by all Participating Class Members in a non-
16 exempt position during the Class Period and multiplying this figure by the Net Class Settlement
17 Amount. The Class Notice will include the number of pay periods that the Class Member worked
18 during the Class Period and the amount the Class Member is estimated to receive under the terms
19 of the Settlement Agreement.

20 ii) Individual PAGA Payment: For each Aggrieved Employee, the
21 Individual Settlement Payment will also include their *pro rata* share of the PAGA Payment, as set
22 forth in Paragraph 51.d (the Individual PAGA Payment). Individual PAGA Payments will be
23 calculated from the PAGA Payment based on the respective number of pay periods worked by each
24 Aggrieved Employee in a non-exempt position during the PAGA Period. All Aggrieved Employees
25 will be deemed to have worked during at least one pay period during the PAGA Period. Each
26 Aggrieved Employee's share of the PAGA Payment will be calculated by dividing the Aggrieved
27 Employee's pay periods worked in a non-exempt position by the total number of pay periods worked
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1 by all Aggrieved Employees in a non-exempt position during the PAGA Period and multiplying this
2 figure by the PAGA Payment. The Class Notice will include the number of pay periods that the
3 Aggrieved Employee worked during the PAGA Period and the amount the Aggrieved Employee is
4 estimated to receive under the terms of the Settlement Agreement.

5 f. The Parties acknowledge and agree that the formula used to calculate the
6 Individual Settlement Payments (including the Participating Class Member Payments and Individual
7 PAGA Payments) does not mean that all of the elements of damages, restitution, and penalties
8 alleged in the Action are not being taken into account. The above formula was devised as a practical
9 and logistical method to simplify the participation process.

10 g. Participating Class Member Payments shall be distributed only to
11 Participating Class Members. The portion of the Net Class Settlement Amount allocated to Class
12 Members who opt out of the Settlement will be distributed to Participating Class Members on a *pro*
13 *rata* basis based on the formula set forth in Paragraph 51.e. Individual PAGA Payments will be
14 distributed to all Aggrieved Employees.

15 h. The Parties agree that, under no circumstances shall Defendant be obligated
16 to pay any amount under this Agreement to any Class Member other than Participating Class
17 Members, with the exception of the Individual PAGA Payments which are not affected by a Class
18 Member opting-out of the Settlement. In addition, the Parties agree that, except as provided in
19 Paragraph 50, under no circumstances shall Defendant be obligated to pay more than the Gross
20 Settlement Amount in full settlement of the Action.

21 52. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
22 Participating Class Members under this Agreement, including the Individual PAGA Payments made
23 to Aggrieved Employees, will not be utilized to calculate any additional benefits under any benefit
24 plans to which any Participating Class Member or Aggrieved Employees may be eligible including,
25 but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation
26 plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
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1 that this Agreement will not affect any rights, contributions, or amounts which any Participating
2 Class Member or Aggrieved Employee may be entitled to under any benefit plans.

3 53. Taxation Of Settlement Proceeds. All settlement payments paid to Participating
4 Class Members will be paid in a net amount after applicable state and federal tax withholdings,
5 including payroll taxes, have been deducted.

6 a. The Participating Class Member Payments shall be reported as follows:
7 (i) 20% of the amount distributed to each Participating Class Member will be considered wages, and
8 will be reported as such to each Participating Class Member on a W-2 Form; and (ii) 80% of the
9 amount distributed to each Participating Class Member will be considered statutory penalties, and
10 will be reported as such to each Participating Class Member on an IRS Form 1099. The Individual
11 PAGA Payments distributed to each Aggrieved Employee will be considered penalties and will be
12 reported on an IRS Form 1099.

13 b. Prior to mailing the Individual Settlement Payments, the Settlement
14 Administrator will calculate, withhold from the Individual Settlement Payment, and remit to
15 applicable governmental agencies sufficient amounts as may be owed by Participating Class
16 Members for required withholdings and taxes, including all payroll taxes. The Settlement
17 Administrator will issue appropriate tax forms to each Participating Class Member and Aggrieved
18 Employee consistent with the foregoing breakdown. The Parties understand that the Named
19 Plaintiffs, Participating Class Members, and Aggrieved Employees who receive an Individual
20 Settlement Payment, including an Individual PAGA Payment, pursuant to this Agreement shall be
21 solely responsible for any and all tax obligations associated with such receipt.

22 c. The Parties stipulate that the Settlement Fund (as defined at Paragraph 58)
23 will qualify as a settlement fund pursuant to the requirements of Section 468(B)(g) of the Internal
24 Revenue Code of 1986, as amended, and Section 1.468B-1 *et seq.* of the federal income tax
25 regulations. Furthermore, the Settlement Administrator is designated as the administrator of the
26 qualified settlement funds for purposes of Section 1.468B-2(k) of the income tax regulations.
27 Accordingly, all taxes imposed on the gross income of the Settlement Fund and any tax-related
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1 expenses arising from any income tax return or other reporting document that may be required by
2 the Internal Revenue Service or any state or local taxing body will be paid from the Settlement Fund.

3 d. All Parties represent and acknowledge that nothing in this Settlement
4 Agreement constitutes tax advice regarding the tax treatment of payments under federal, state, or
5 local law. The Named Plaintiffs, Participating Class Members, and Aggrieved Employees will
6 assume any such tax obligations or consequences that may arise from this Settlement Agreement
7 and Class Members shall not seek any indemnification from the Parties or any of the Released
8 Parties in this regard. In the event that any taxing body determines that additional taxes are due
9 from any Class Member or Aggrieved Employee, including Named Plaintiffs, such Class Member
10 or Aggrieved Employee assumes all responsibility for the payment of such taxes.

11 54. Notice Procedure. Within 14 calendar days after entry of the Preliminary Approval
12 Order, Defendant will provide to the Settlement Administrator a list of Class Members and
13 Aggrieved Employees that identifies each Class Member and Aggrieved Employee by full name,
14 Social Security Number, and last-known address, and which specifies the number of pay periods
15 worked by each Class Member and Aggrieved Employee in a non-exempt position during the Class
16 Period and the PAGA Period (the “**Class List**”). Defendant will provide the Class List in an Excel
17 file or other format reasonably acceptable to the Settlement Administrator. The Settlement
18 Administrator shall confirm receipt of the Class List within 3 calendar days.

19 a. Upon receipt of the Class List, the Settlement Administrator shall perform a
20 search based upon the National Change of Address Database to update and correct any known or
21 identifiable address changes. The Settlement Administrator shall exercise its best judgment to
22 determine the current mailing address for each Class Member and Aggrieved Employee. Within 14
23 calendar days after receipt of the Class List from Defendant, the Settlement Administrator will send
24 the Class Notice to each Class Member and Aggrieved Employee via First Class U.S. Mail. Receipt
25 of the Class Notice shall be presumed as to each and every Class Member and Aggrieved Employee
26 whose Class Notice is not returned to the Settlement Administrator as undeliverable within 14
27 calendar days after mailing.

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1 b. The Settlement Administrator will re-mail any Class Notice returned by the
2 United States Postal Service with a forwarding address on or before the expiration of the Notice
3 Period. It shall be conclusively presumed that those Class Members and Aggrieved Employees
4 whose re-mailed Class Notice is not returned to the Settlement Administrator as undeliverable
5 within 14 calendar days after re-mailing, received the Class Notice. Class Members who receive a
6 re-mailed Class Notice shall have either 60 calendar days from the original mailing or 15 calendar
7 days from the re-mailing, whichever is later, to object, opt out, or dispute the pay periods attributed
8 to the Class Member and/or Aggrieved Employee.

9 c. The Settlement Administrator will use the appropriate skip tracing and
10 National Change of Address searches to increase the likelihood of delivery of the Class Notice to
11 Class Members and Aggrieved Employees, and to re-mail the Class Notices returned by the Postal
12 Service without a forwarding address upon locating new or alternate addresses after a reasonable
13 search.

14 d. Class Counsel will provide to the Court, in connection with seeking final
15 approval of the Settlement, a declaration from the Settlement Administrator confirming that the
16 Class Notice was mailed to all Class Members and Aggrieved Employee as required by this
17 Agreement, as well as any additional information Class Counsel deems appropriate to provide to
18 the Court.

19 55. Dispute Procedure. The Class Notice will include a procedure by which a Class
20 Member and/or Aggrieved Employee may dispute the number of pay periods allocated to the Class
21 Member and/or Aggrieved Employee by submitting a written dispute sent via U.S. Mail to the
22 Settlement Administrator postmarked no later than the expiration of the Notice Period (“**Pay Period**
23 **Dispute**”). To be valid, a Pay Period Dispute must contain the following: (i) the Class Member’s
24 and/or Aggrieved Employee’s full name, current address, and signature; (ii) the Action name and
25 case number; (iii) the number of pay periods the Class Member and/or Aggrieved Employee
26 maintains is correct; and (iv) documentary evidence sufficient to prove that Defendant’s calculation
27 of the pay periods for the Class Member and/or Aggrieved Employee is incorrect, if any. Upon
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1 receipt of notice of a Pay Period Dispute, the Settlement Administrator shall promptly serve
2 Defendant's counsel with a copy of the Pay Period Dispute and any accompanying papers.
3 Defendant's counsel will promptly inform Class Counsel of any such dispute. No Pay Period
4 Dispute shall be effective or considered for any purpose unless it is timely mailed by U.S. Mail to
5 and received by the Settlement Administrator as provided above. Defendant shall have the right to
6 respond to the Pay Period Dispute by any Class Member and/or Aggrieved Employee. The
7 Settlement Administrator will resolve the Pay Period Dispute and make a final and binding
8 determination without hearing or right of appeal.

9 a. At the close of the Notice Period, the Settlement Administrator will provide
10 Class Counsel and Defendant's counsel with a report listing the amount of all Individual Settlement
11 Payments, including Individual PAGA Payments, to be made to Participating Class Members and
12 Aggrieved Employees. The report to Class Counsel will not include the names, social security
13 numbers, or contact information of Participating Class Members and Aggrieved Employees.

14 56. Opt-Out Procedure. Unless a Class Member opts out of the settlement described in
15 this Agreement, the Class Member will be bound by the terms and conditions of this Agreement,
16 including the release of the Class Released Claims that arose during the Class Period. A Class
17 Member will not be entitled to opt out of the settlement established by this Settlement Agreement
18 unless the Class Member submits a valid opt-out request ("**Opt-Out Request**"). A valid Opt-Out
19 Request must: (i) contain the Class Member's full name, current address, and signature; (ii) the
20 Action name and case number; (iii) a written request clearly expressing the Class Member's desire
21 to be excluded from (or opt out of) the Settlement; and (iv) be returned so that it is postmarked on
22 or before the expiration of the Notice Period. Any Class Members who worked during the PAGA
23 Period and who opt out of the Settlement will still be considered Aggrieved Employees for purposes
24 of this Settlement Agreement.

25 a. Upon receipt of any Opt-Out Request within the Notice Period, the
26 Settlement Administrator shall review the Opt-Out Request to confirm that it complies with the opt-
27 out requirements of this Settlement Agreement.

1 b. Any Class Member who fails to submit a timely, complete, and valid Opt-
2 Out Request will be barred from opting out of this Settlement Agreement or the settlement, unless
3 otherwise ordered by the Court. If the Settlement Administrator receives a timely Opt-Out Request
4 that is incomplete, it will make reasonable attempts to contact the Class Member to cure the defect.
5 The Settlement Administrator will not consider any Opt-Out Request postmarked after the end of
6 the Notice Period, but will report its receipt of any such requests to Class Counsel and counsel for
7 Defendant. It shall be presumed that if an Opt-Out Request is not postmarked on or before the end
8 of the Notice Period, the Class Member did not make the request in a timely manner. A declaration
9 submitted by any Class Member attesting to the mailing of an Opt-Out Request on or before the
10 expiration of the Notice Period shall be insufficient to overcome the conclusive presumption that
11 the Opt-Out Request was untimely. Under no circumstances shall the Settlement Administrator
12 have the authority to extend the deadline for Class Members to submit a request to opt out of the
13 settlement without the Parties' joint written consent.

14 c. At the close of the Notice Period, the Settlement Administrator shall report
15 the names of all individuals who opted out of the Settlement Agreement to the Parties and include
16 this information in a Declaration regarding the distribution of the Class Notice that will be provided
17 in support of Plaintiff's Motion for Final Approval.

18 d. If 10% or more Class Members timely opt out of the settlement, Defendant
19 will have the sole and absolute discretion to withdraw from this Settlement Agreement within
20 fourteen (14) calendar days after Defendant receives notice of the number of opt-outs. Defendant
21 will provide written notice to Class Counsel if it intends to withdraw from this Settlement
22 Agreement. In the event that Defendant elects to so withdraw, the withdrawal shall have the same
23 effect as a termination of this Settlement Agreement for failure to satisfy a condition of settlement,
24 and the Settlement Agreement shall become null and void and have no further force or effect, and
25 the Class certified pursuant to this Settlement Agreement will be decertified for all purposes. If
26 Defendant chooses to terminate this Settlement Agreement under this provision, it shall be
27 responsible to pay the Settlement Administrator's fees and costs. If the Settlement Agreement is
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1 terminated for any other reason, including the Court's failure to grant final approval of the Parties'
2 settlement, then Class Counsel and Defendant will be jointly responsible for the Settlement
3 Administrator's fees and costs.

4 57. Objections To Settlement. Any Class Member who has not opted out of the
5 Settlement (i.e., Participating Class Members) may object to the Settlement Agreement. Any written
6 objection must be mailed to the Settlement Administrator (who shall promptly provide a copy to
7 Class Counsel and counsel for Defendant) by the close of the Notice Period. Class Counsel will
8 ensure that any written objections are filed with the Court concurrently with the final approval
9 documents by having it attached to the Settlement Administrator's Declaration. Participating Class
10 Members who have not objected in writing may still appear and be heard at the Settlement Hearing.

11 a. Written objections to the Settlement Agreement must contain at least the
12 following: (i) the objecting Participating Class Member's full name, current address, and signature;
13 (ii) the Action name and case number; (iii) a statement of the specific reasons why the objector
14 believes the Settlement Agreement is unfair or objects to the Settlement Agreement; and (iv) a
15 statement of whether the objector intends to appear at the final approval hearing, either in person or
16 through counsel and, if through counsel, a statement identifying that counsel by name, bar number,
17 address, and telephone number. All objections shall be signed by the objecting Participating Class
18 Member or the Participating Class Member's legally-authorized representative.

19 b. Class Counsel or Defendant's counsel may, up to five (5) court days before
20 the Final Hearing Date, file responses to any written objections submitted to the Court.

21 c. Unless they opt out of the Settlement Agreement as specified in
22 Paragraph 56, Class Members who object to the proposed settlement or the Agreement will remain
23 Participating Class Members, and shall be deemed to have voluntarily waived their right to pursue
24 an independent remedy against Defendant and the other Released Parties of the Class Released
25 Claims. To the extent any Participating Class Member objects to the proposed settlement or
26 Agreement and such objection is overruled in whole or in part, such individuals will be bound by
27 the Court's Final Approval Order and Judgment.

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1 d. In the event that any person objects to or opposes this proposed settlement or
2 the Settlement Agreement, or attempts to intervene in or otherwise enter the Action, the Parties and
3 Class Counsel will use their best efforts to defend the Settlement Agreement.

4 e. A Class Member cannot both opt out and object to the Settlement Agreement.
5 If a Class Member both objects and opts out of the Settlement Agreement, the opt-out will control
6 and the objection will be deemed invalid.

7 58. Funding And Distribution Of Settlement.

8 a. Within ten (10) calendar days of the close of the Notice Period, the Settlement
9 Administrator will provide a draft declaration to Class Counsel and Defendant's counsel setting
10 forth the number of Participating Class Members and Aggrieved Employees; the identity of those
11 individuals who opted out of the Settlement Agreement; the total amount payable to all Participating
12 Class Members and Aggrieved Employees; and the total PAGA Amount, Attorneys' Fees and Costs,
13 Enhancement Awards, Settlement Administration Costs, Net Class Settlement Amount, and the
14 appropriate applicable employer's taxes for any portion of the Individual Settlement Payments
15 designated as wages.

16 b. Upon the Court entering the Final Order and Judgment, and within seven (7)
17 calendar days after the Effective Date, Defendant shall remit to the Settlement Administrator the
18 Gross Settlement Amount of \$390,000.00, subject to the escalator provision in paragraph 50.a of
19 the Settlement Agreement, and Defendant shall remit to the Settlement Administrator the
20 employer's respective taxes for any portion of the Individual Settlement Payments designated as
21 wages (collectively, the "**Settlement Fund**"). The delivery by Defendant of the Settlement Fund to
22 the Settlement Administrator will constitute the full and complete discharge of the entire obligation
23 of Defendant under this Agreement, unless anything further is requested by the Settlement
24 Administrator to ensure timely and proper disbursement. No Released Party will have any further
25 obligation or liability to the Named Plaintiffs, Participating Class Members, Aggrieved Employees,
26 or Class Counsel under this Agreement, in connection with the claims released herein, regardless of
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1 whether the Named Plaintiffs, Participating Class Members, Aggrieved Employees, or Class
2 Counsel receive the payments from the Settlement Administrator set forth in this Agreement.

3 c. The distribution of Individual Settlement Payments to Participating Class
4 Members and Aggrieved Employees will occur no later than ten (10) calendar days after receipt of
5 the Settlement Fund from Defendant ("**Settlement Proceeds Distribution Deadline**"). The
6 Settlement Administrator shall be deemed to have timely distributed Individual Settlement
7 Payments, including Individual PAGA Payments, if it places in the mail the Individual Settlement
8 Payments for all Participating Class Members and Aggrieved Employees by the Settlement Proceeds
9 Distribution Deadline. No person will have any claim against the Settlement Administrator,
10 Defendant, Class Counsel, Defendant's counsel, or any other agent designated by the Named
11 Plaintiffs or Class Counsel based upon the distribution of Individual Settlement Payments made
12 substantially in accordance with this Agreement or further orders of the Court.

13 d. The distribution of the LWDA Payment, Attorneys' Fees and Costs,
14 Settlement Administration Costs, and the Enhancement Awards shall occur no later than ten (10)
15 calendar days after the Settlement Administrator receives the Settlement Fund from Defendant.

16 e. If a Participating Class Member's or Aggrieved Employee's check is returned
17 to the Settlement Administrator, the Settlement Administrator will make reasonable efforts to re-
18 mail it to the Participating Class Member or Aggrieved Employee at the correct address. It is
19 expressly understood and agreed that the checks for the Individual Settlement Payments, including
20 the Individual PAGA Payments, will become void and no longer available if not cashed within 180
21 calendar days after mailing. After the checks are voided, the remaining funds from the voided
22 checks will be transferred to the Court Appointed Special Advocates (CASA) of Kern County as a
23 cy pres recipient. Defendant will provide a declaration for Plaintiff's motion for preliminary
24 approval in support of the selection of CASA as the cy pres recipient, and all Parties and their
25 counsel will aver that they have no financial interest in CASA.

1 f. Defendant will not be obligated to make any payments contemplated by this
2 Settlement Agreement unless and until the Court enters the Final Approval Order and Judgment,
3 and after the Effective Date of the Settlement Agreement.

4 g. Within sixty (60) calendar days of the Settlement Proceeds Distribution
5 Deadline, the Settlement Administrator will provide written certification of completion of settlement
6 administration to Class Counsel and to Defendant's counsel.

7 59. Binding Effect Of Agreement On Class Members. Subject to final Court approval
8 and the occurrence of the Effective Date, and unless otherwise provided in this Settlement
9 Agreement, all Participating Class Members will be bound by this Settlement Agreement.

10 60. Binding Effect Of Agreement On Aggrieved Employees and State of California. The
11 Aggrieved Employees and the State of California, to the extent permitted by law, shall be deemed
12 by operation of the Final Approval Order and Judgment to have agreed to be bound by the release
13 of the PAGA Released Claims during the PAGA Period as set forth in this Settlement Agreement.

14 61. Provisional Approval Of Settlement. Named Plaintiffs will file a motion in the
15 Action requesting that the Court enter the Preliminary Approval Order shortly after this Settlement
16 Agreement is fully executed. Defendant will not oppose Class Counsel's motion for preliminary
17 approval of the settlement so long as the motion and supporting papers are consistent with the terms
18 of this Settlement Agreement. Class Counsel will provide Defendant's counsel at least 10 calendar
19 days to review, and provide comments to, the draft motion for preliminary approval of the settlement
20 before the motion and supporting papers are filed with the Court. Notwithstanding the foregoing,
21 Defendant may, without opposing the preliminary approval motion, advise the Court if Defendant
22 disputes any of the factual statements concerning the claims at issue included by the Named
23 Plaintiffs in the motion and supporting papers. Defendant's counsel will meet and confer with Class
24 Counsel regarding any disputed factual statements before notifying the Court of any disputes.

25 62. Non-Interference With Claims Procedure. The Parties and their counsel agree that
26 they will not advise, solicit, or otherwise encourage any Class Members to submit requests for
27 exclusion or objections to the settlement or to appeal from the Final Approval Order and Judgment.

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1 Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with
2 Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

3 63. Final Approval Order and Judgment. The Named Plaintiffs will request that the
4 Court enter, after the Settlement Hearing finally approving this Settlement Agreement, a proposed
5 Final Approval Order and Judgment. Named Plaintiffs will request that the Final Approval Order
6 and Judgment certify the Participating Class; find that this Settlement Agreement is fair, just,
7 equitable, reasonable, adequate and in the best interests of the Class and the Aggrieved Employees;
8 list the employees (if any) who opted-out of the settlement; order that the Participating Class
9 Members release the Released Parties from the Class Released Claims; order that the Aggrieved
10 Employees and the State of California release the Released Parties from the PAGA Claims as set
11 forth in this Settlement Agreement (to the extent permitted by law); and require the Parties to carry
12 out the provisions of this Settlement Agreement.

13 64. Automatic Voiding Of Agreement If Settlement Not Finalized. If for any reason the
14 settlement set forth in this Settlement Agreement does not become final, the settlement will be null
15 and void and the orders, judgment, and dismissal to be entered pursuant to this Settlement
16 Agreement shall be vacated, and the Parties will be returned to the status quo prior to entering this
17 Settlement Agreement with respect to the Action, as if the Parties had never entered into this
18 Settlement Agreement, and the class certified pursuant to this Settlement Agreement will be
19 decertified for all purposes. In addition, in such event, the Settlement Agreement and all
20 negotiations, court orders, and proceedings relating to this Settlement Agreement shall be without
21 prejudice to the rights of any and all Parties to this Settlement Agreement, and evidence relating to
22 the Settlement Agreement and all negotiations shall not be admissible or discoverable in the Action
23 or otherwise.

24 65. No Double Recovery. No person who has already released, assigned, or otherwise
25 forfeited the claims asserted in the Action will be considered a Class Member or be entitled to
26 recover under this Settlement Agreement. Such persons will be excluded from the Class List.

1 66. No Publicity. The Named Plaintiffs and Class Counsel agree that they shall not
2 publicize the filing of the Action, the Parties' settlement, this Settlement Agreement and its terms,
3 or the negotiations leading to this Settlement Agreement with anyone other than the Court, Class
4 Members, or those individuals necessary to effectuate the terms of the Settlement Agreement. The
5 prohibition set forth in this Paragraph 66 includes, but is not limited to: (i) publication by Named
6 Plaintiffs or Class Counsel on any website (including, without limitation, publishing on any Twitter
7 account, Facebook, other social media, or blog, or business website) of the amount or terms of the
8 settlement, with or without identifying information; and (ii) the submission of information to
9 Verdicts & Settlements or any other publication that summarizes the results of jury verdicts and
10 settlements.

11 a. Notwithstanding the foregoing, Class Counsel may respond to questions
12 received from, and discuss any aspect of this Settlement Agreement with the Class Members or their
13 legal representatives, the Settlement Administrator, the Court, and representatives of the California
14 LWDA.

15 b. Notwithstanding the foregoing, nothing in this Paragraph shall prohibit the
16 filing of information with the Court or the LWDA relating to the Settlement Agreement that is
17 necessary to effectuate this Agreement, or the online posting of documents relating to the Action by
18 the Settlement Administrator as permitted by this Settlement Agreement, including the Judgment
19 entered by the Court. Additionally, nothing herein will restrict Class Counsel from including
20 publicly available information regarding the Settlement in future judicial submissions regarding
21 Class Counsel's qualifications and experience.

22 c. The Named Plaintiffs and Class Counsel agree that all data and information
23 informally produced by Defendant in connection with the Action will be maintained in the strictest
24 confidence and will not be used for any other purpose than to effectuate and/or enforce the
25 Settlement. For example, Named Plaintiffs and Class Counsel agree that all data and information
26 produced by Defendant will not be used to prosecute any other action. Within sixty (60) calendar
27 days after the Final Approval Order and Judgment, or such other date as the Court may order, the
28

1 Named Plaintiffs and Class Counsel shall destroy data and information informally produced by
2 Defendant in connection with the Action and its mediation, excepting the data and information
3 related to the Named Plaintiffs.

4 67. Invalidation Of Agreement For Failure To Satisfy Conditions. If the Court makes
5 material changes to the material terms or conditions of Paragraphs 1 through 66 of this Settlement
6 Agreement that are not agreed to by the Parties, either Party shall have the right to terminate this
7 Settlement Agreement, in which case Defendant would not be obligated to make any payments to
8 any Class Member, to Class Counsel, or to the Named Plaintiffs. The Parties shall meet and confer
9 in good faith and involve the Mediator as necessary before exercising such right.

10 68. Modification In Writing. This Settlement Agreement may be altered, amended,
11 modified or waived, in whole or in part, only in a writing signed by counsel for the Parties and
12 approved by the Court. This Settlement Agreement may not be amended, altered, modified or
13 waived, in whole or in part, orally.

14 69. Ongoing Cooperation. The Named Plaintiffs and Defendant will execute all
15 documents and perform all acts necessary and proper to effectuate the terms of this Settlement
16 Agreement. In the event the Parties are unable to reach an agreement on the form or content of any
17 document needed to implement the Settlement Agreement, or any supplemental provisions that may
18 become necessary to effectuate the terms of the Settlement Agreement, the Parties agree to seek the
19 assistance of the Mediator and, if still unable to resolve their dispute, the Court.

20 70. Notices. All notices, requests, demands, and other communications required or
21 permitted to be given pursuant to this Settlement Agreement shall be in writing, and shall be
22 delivered personally or by first class mail to the Settlement Administrator approved by the Court,
23 or by email, to the undersigned persons at their respective addresses as set forth below:

24 **CLASS COUNSEL**

25 BLACKSTONE LAW, APC
26 Jonathan M. Genish (State Bar No. 259031)
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Irvine, CA 92612
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71. Binding on Successors. This Settlement Agreement will be binding upon and will inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives.

72. Entire Agreement. This Settlement Agreement constitutes the full, complete, and entire understanding, agreement, and arrangement between the Named Plaintiffs, the Class

1 Members, and the Aggrieved Employees, on the one hand, and Defendant, on the other hand, with
2 respect to the settlement of the Action. This Settlement Agreement supersedes any and all prior oral
3 or written understandings, agreements, and arrangements between the Parties with respect to the
4 settlement of the Action. Except for those set forth expressly in this Settlement Agreement, there
5 are no other agreements, covenants, promises, representations or arrangements between the Parties
6 with respect to the settlement of the Action, the PAGA Released Claims, and the Class Released
7 Claims against Defendant and the Released Parties. The Parties explicitly recognize California Civil
8 Code section 1625 and California Code of Civil Procedure section 1856(a), which provide that a
9 written agreement is to be construed according to its terms, and may not be varied or contradicted
10 by extrinsic evidence, and agree that no such extrinsic oral or written representations or terms shall
11 modify, vary, or contradict the terms of this Settlement Agreement.

12 73. Execution In Counterparts. This Settlement Agreement may be signed in one or
13 more counterparts. All executed copies of this Settlement Agreement, and photocopies of the
14 Settlement Agreement (including DocuSign, facsimile and e-mail copies of the signature pages),
15 shall have the same force and effect and shall be as legally binding and enforceable as the original.

16 74. Captions. The captions, section numbers, and paragraph numbers in this Settlement
17 Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or
18 describe the scope or intent of the provisions of this Settlement Agreement.

19 75. Governing Law. This Settlement Agreement shall be interpreted, construed,
20 enforced, and administered in accordance with the laws of the State of California, without regard to
21 conflict of law rules.

22 76. Reservation Of Jurisdiction. Notwithstanding the dismissal of the Action and entry
23 of the Final Approval Order and Judgment, the Court shall retain jurisdiction for purposes of
24 interpreting and enforcing the terms of this Settlement Agreement.

25 77. Mutual Preparation. The Parties have had the full opportunity to negotiate the terms
26 and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
27 construed more strictly against one Party than another merely by virtue of the fact that it may have
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1 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
2 negotiations between the Parties, all Parties have contributed to the preparation of this Settlement
3 Agreement.

4 78. Representation and Warranties. Class Counsel and the Named Plaintiffs represent
5 and warrant to Defendant that they are not aware of any attorneys beyond those named as Class
6 Counsel who have claims for fees arising out of the Action or the settlement contemplated by this
7 Settlement Agreement.

8 79. Authorization to Act. Each Party to this Settlement Agreement covenants and
9 warrants that (a) such Party has full power and authority to enter into and consummate all
10 transactions contemplated by this Settlement Agreement and have duly authorized the execution,
11 delivery, and performance of this Settlement Agreement; and (b) the person executing this
12 Agreement for such Party has the full right, power, and authority to enter into this Settlement
13 Agreement on behalf of such Party, and the full right, power, and authority to execute any and all
14 necessary instruments in connection with the settlement, and to fully bind such Party to the terms
15 and obligations of this Settlement Agreement.

16 80. Representation By Counsel. The Parties acknowledge that each of them has been
17 represented by their respective counsel throughout all negotiations that preceded the execution of
18 this Settlement Agreement, and that this Settlement Agreement has been executed with the consent
19 and advice of their respective counsel. Further, the Named Plaintiffs and Class Counsel warrant and
20 represent that there are no liens on the Settlement Agreement, and that after entry by the Court of
21 the Final Approval Order and Judgment, the Settlement Administrator may distribute funds to
22 Participating Class Members, Aggrieved Employees, Class Counsel, the LWDA, the Settlement
23 Administrator, and the Named Plaintiffs as provided by this Agreement.

24 81. Representation By The Named Plaintiffs. The Named Plaintiffs agree not to request
25 to be excluded from the Class and not to object to any terms of this Settlement Agreement. Any
26 such request by the Named Plaintiffs for exclusion or objection shall be void and of no force or
27 effect.

28

1 82. Additional Attorneys' Fees and Costs. No Participating Class Member, Aggrieved
2 Employee, or Class Counsel, or any other attorney acting for any Participating Class Member or
3 Aggrieved Employee may recover or seek to recover any amounts for fees, costs, or disbursements
4 arising from the Action or the Gross Settlement Amount from the Released Parties except as
5 expressly provided for in this Settlement Agreement.

6 83. No Reliance on Representations. The Parties have made such investigations of the
7 facts and the law pertaining to the matters described in this Settlement Agreement as they deem
8 necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact
9 or law, made by any other Party, or any of their agents, employees, attorneys, or representatives,
10 with regard to any of their rights or asserted rights, or with regard to the advisability of making and
11 executing this Settlement Agreement, or with respect to any such matters. No representations,
12 warranties, or inducements have been made to any Party concerning this Settlement Agreement,
13 other than as provided in this Settlement Agreement.

14 84. No Collateral Attack. This Settlement Agreement will not be subject to collateral
15 attack by any Class Member or any recipient of the Class Notice after the Final Approval Order and
16 Judgment. Such prohibited collateral attacks shall include but not be limited to claims that the Class
17 Member failed for any reason to receive timely notice of the procedure for disputing the calculation
18 of their Individual Settlement Payment, or for opting out of the Settlement Agreement.

19 **IT IS SO AGREED:**
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1 Dated: 12/05/2025

PLAINTIFF GABRIELA GUERRERO

2 By: *Gabriela Guerrero*

3 Plaintiff Gabriela Guerrero

4 Dated: _____

PLAINTIFF OSMIN CHAVARRIA MEJIA

5 By: _____
6 Plaintiff Osmín Chavarria Mejía

7 Dated: _____

PLAINTIFF ELMER CHAVARRIA MEJIA

8 By: _____
9 Plaintiff Elmer Chavarria Mejia

10 Dated: _____

PLAINTIFF RAFAEL MEJIVAR
CASTELLANOS

11 By: _____
12 Plaintiff Rafael Mejivar Castellanos

13
14 Dated: _____

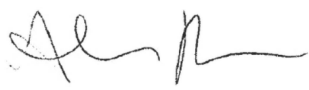
DEFENDANT SAR CALIFORNIA HOLDCO
INC. dba SARKU JAPAN

15
16
17 _____
18 Alan Luk, Director, Legal & Development

19 APPROVED AS TO FORM AND CONTENT, AND AGREE TO BE BOUND BY PARAGRAPH
20 66:

21 Dated: 12/05/2025

BLACKSTONE LAW

22 By: 

23 Alexandra Rose
24 Counsel for Plaintiff Gabriela Guerrero

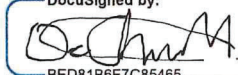
1 Dated: _____

PLAINTIFF GABRIELA GUERRERO

2 By: _____
3 Plaintiff Gabriela Guerrero

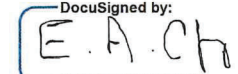
4 Dated: December 4, 2025

PLAINTIFF OSMIN CHAVARRIA MEJIA

5 DocuSigned by:
6 
By: BED81B6E7C85465...
7 Plaintiff Osmín Chavarría Mejía

8 Dated: December 4, 2025

PLAINTIFF ELMER CHAVARRIA MEJIA

9 DocuSigned by:
10 
By: 3DFBF5EEBFC0470...
11 Plaintiff Elmer Chavarría Mejía

12 Dated: December 4, 2025

PLAINTIFF RAFAEL MEJIVAR
CASTELLANOS

13 Firmado por:
14 
By: 63C65E18096548A...
15 Plaintiff Rafael Mejívar Castellanos

16 Dated: December 18, 2025

DEFENDANT SAR CALIFORNIA HOLDCO
INC. dba SARKU JAPAN

17 

18 Michael Fricker, Vice President

19 APPROVED AS TO FORM AND CONTENT, AND AGREE TO BE BOUND BY PARAGRAPH

20 66:

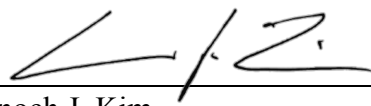
21 Dated: _____

BLACKSTONE LAW

22 By: _____
23 Alexandra Rose
24 Counsel for Plaintiff Gabriela Guerrero

1 Dated: December 5, 2025

D.LAW, INC.

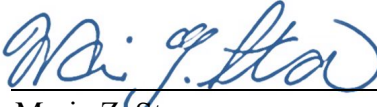
2
3 By: 

4 Enoch J. Kim
5 Counsel for Plaintiffs Osmin Chavarria
Mejia, Elmer Chavarria Mejia, and Rafael
Menjivar Castellanos

6 APPROVED AS TO FORM AND CONTENT:

7 Dated: December 22, 2025

RUTAN & TUCKER, LLP

8
9 By: 

10 Maria Z. Stearns
11 Counsel for SAR California Holdco Inc. dba
12 Sarku Japan
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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Guerrero, et al. v. SAR California Holdco Inc. dba Sarku Japan,
Kern County Superior Court Case No. BCV-23-104255

THE KERN COUNTY SUPERIOR COURT HAS AUTHORIZED THIS NOTICE. IT IS NOT A SOLICITATION OR ADVERTISEMENT.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the class settlement, object to the class settlement, or dispute the number of pay periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Gabriela Guerrero, Osmin Chavarria Mejia, Elmer Chavarria Mejia, and Rafael Menjivar Castellanos (collectively, "**Plaintiffs**") and Defendant SAR California Holdco Inc. dba Sarku Japan ("**Sarku**" or "**Defendant**") (Plaintiffs and Defendant are collectively referred to as the "**Parties**") in the case titled *Guerrero, et al. v. SAR California Holdco Inc. dba Sarku Japan*, Kern County Superior Court Case No. BCV-23-104255 ("**Action**"). The settlement affects your legal rights, as discussed further below. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("**Final Approval Hearing**") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"**Class**" or "**Class Member(s)**" means all current and former non-exempt employees who worked for Defendant in the State of California at any time during the Class Period, excluding those individuals who have already released, assigned, or otherwise forfeited the claims asserted in the Action.

"**Class Period**" means the period from October 22, 2022, and which ends on December 31, 2024.

"**Aggrieved Employee(s)**" means all current and former non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period.

"**PAGA Period**" means the period from October 22, 2022, and which ends on December 31, 2024.

II. BACKGROUND OF THE ACTION

On December 26, 2023, Plaintiff Gabriela Guerrero filed a representative action against Defendant in the Action, which alleged a single cause of action for civil penalties under the Private Attorneys General Act, California Labor Code § 2698 *et seq.* ("PAGA"). On November 6, 2025, Plaintiffs filed a First Amended Class and Representative Action Complaint (the "**Operative Complaint**") in the Action, which added Plaintiffs Osmin Chavarria Mejia, Elmer Chavarria Mejia, and Rafael Menjivar Castellanos as named plaintiffs, and additional causes of action on behalf of a putative class of non-exempt current and former California employees of Defendant.

Plaintiffs alleged that Defendant violated various wage-and-hour laws, including by failing to pay minimum wages, failing to pay overtime compensation, failing to provide meal periods, failing to authorize and permit rest breaks, failing to pay vacation wages, failing to provide paid sick leave, failing to indemnify employees for necessary business expenses, failing to timely pay wages at termination, failing to provide accurate itemized wage statements, failing to produce requested employment records, and failing to keep accurate payroll records. Plaintiffs seek, among other things, the recovery of allegedly unpaid wages as well as meal and rest period premiums, restitution, and penalties. Defendant denies all of the allegations in the Action or that it violated any law and contends that it has complied with the law at all times. The Court has made no decision on the merits of the Operative Complaint.

The Parties participated in a full-day mediation with a respected class action mediator, and, as a result of the mediation, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation and Settlement Agreement to Resolve Class Action and PAGA Claims (“**Settlement**” or “**Settlement Agreement**”), which was preliminarily approved by the Court on [date of Preliminary Approval]. The Court has preliminarily appointed Plaintiffs as the representatives of the Class (“**Class Representatives**”), and has preliminarily appointed the following Plaintiffs’ counsel as counsel for the Class (“**Class Counsel**”):

BLACKSTONE LAW, APC
Jonathan M. Genish
Miriam L. Schimmel
Joana Fang
Alexandra Rose
8383 Wilshire Boulevard, Suite 745
Beverly Hills, CA 90211
Tel: (310) 622-4278

D. LAW, INC
Emil Davtyan
David Yeremian
Roman Shkodnik
Enoch J. Kim
Amanda Fazio
450 N Brand Boulevard, Suite 840
Glendale, CA 91203
Tel: (818) 962-6465

If you are a Class Member, you do not need to take any action to receive a Participating Class Member Payment, as that term is defined below. You have the opportunity to opt-out or object to the Settlement if you so choose, as explained more fully in Section III below. Class Members who do not timely opt out of the Settlement (“**Participating Class Members**”) will be bound to the Settlement. If you are an Aggrieved Employee, you do not need to take any action to receive an Individual PAGA Payment, and you will be bound to the PAGA portion of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by the Defendant that the claims in the Action have merit or that the Defendant has any liability to the Plaintiffs, the Class Members, or the Aggrieved Employees. Plaintiffs and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and the Aggrieved Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total settlement amount is **Three Hundred Ninety Thousand Dollars (\$390,000)** (the “**Gross Settlement Amount**”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “**Net Class Settlement Amount**.” The Net Class Settlement Amount will be the Gross Settlement Amount less the following payments, which are subject to approval by the Court: (1) Attorneys’ Fees and Costs, consisting of attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (\$136,500) and reimbursement of actual costs in prosecuting the Action in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000) to Class Counsel; (2) Enhancement Awards in amounts not to exceed Ten Thousand Dollars (\$10,000) each to Plaintiffs (total, \$40,000) for their services in the Action; (3) PAGA penalties (“**PAGA Amount**”) in the amount of Thirty Thousand Dollars (\$30,000); and (4) Settlement Administration Costs in an amount not to exceed Ten Thousand Five Hundred Dollars (\$10,500) to the Settlement Administrator. Note: the California Labor and Workforce Development Agency (“**LWDA**”) will be paid 75% of the PAGA Amount (\$22,500), and the remaining 25% of the PAGA Amount (\$7,500) will be distributed to the Aggrieved Employees.

Participating Class Members are eligible to receive payment of their share of the Net Class Settlement Amount (“**Participating Class Member Payment**”) based on the number of pay periods they each worked for Defendant as a non-exempt employee in California during the Class Period. Aggrieved Employees will receive payment of their share of 25% of the PAGA Amount (“**Individual PAGA Payment**”), based on the number of pay periods they worked for Defendant as a non-exempt employee in California during the PAGA Period.

Your estimated Participating Class Member Payment is listed in Section III.C below. The Settlement Administrator has calculated the estimated Participating Class Member Payments for Class Members by dividing the Class Member’s pay periods by the total number of pay periods for all Class Members and multiplying this figure by the Net Class Settlement Amount.

Your estimated Individual PAGA Payment is listed in Section III.C below. The Settlement Administrator has calculated the Individual PAGA Payments for Aggrieved Employees by dividing the Aggrieved Employee’s pay periods by the total number of pay periods for all Aggrieved Employees and multiplying this figure by thirty-five percent (25%) of the PAGA Amount (\$7,500).

For tax purposes, the Parties are asking the Court to approve the following allocation of each Participating Class Member Payment: twenty percent (20%) as wages, which will be reported on an IRS W-2 Form, and eighty percent (80%) in compromise of alleged statutory penalties, which will be reported on an IRS Form 1099-MISC (if applicable). Each Participating Class Member Payment will be paid in a net amount after applicable state and federal tax withholdings, including payroll taxes, have been deducted. Each Individual PAGA Payment will be allocated as 100% in compromise of alleged penalties, and as such the Settlement Administrator will not undertake any deductions for state and federal payroll taxes, withholdings, and contributions, and Individual PAGA Payments will be reported on an IRS Form 1099-MISC, if necessary. The Settlement Administrator may pay the Participating Class Member Payment and Individual PAGA Payment in a single check. Although the Parties have agreed to these allocations, neither Party is giving you advice on whether your payments are taxable or how much you might owe in taxes. You should consult a tax advisor if you have any questions about the tax consequences of the proposed settlement.

If the Court grants final approval of the Settlement, Participating Class Member Payments will be mailed to Participating Class Members and Individual PAGA Payments will be mailed to Aggrieved Employees at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Pay Periods Based on Defendant’s Records

According to Defendant’s records:

From October 22, 2022 through December 31, 2024 (i.e., Class Period), you worked [insert number] pay periods.

From October 22, 2022 through December 31, 2024 (i.e., PAGA Period), you worked [insert number] pay periods.

If you wish to dispute the pay periods credited to you, you must submit your written dispute (“**Pay Period Dispute**”) to the Settlement Administrator, postmarked **no later than [the end of Notice Period]**. The Pay Period Dispute must contain: (i) your full name, current address, and signature; (ii) the name and number of the Action (*Guerrero v. SAR California Holdco Inc. dba Sarku Japan*, Case No. BCV-23-104255); (iii) the number of pay periods you maintain is correct; and (iv) documentary evidence sufficient to prove that Defendant’s calculation of the pay periods is incorrect.

C. Your Estimated Participating Class Member Payment and Individual PAGA Payment

As explained above, your estimated Participating Class Member Payment is based on the number of pay periods credited to you during the Class Period.

Under the terms of the Settlement, your Participating Class Member Payment is estimated to be \$ [REDACTED]. The Participating Class Member Payment is subject to reduction for the employee's share of state and federal payroll taxes, withholdings, and contributions with respect to the wages portion of the Participating Class Member Payment and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

As explained above, your estimated Individual PAGA Payment is based on the number of pay periods credited to you during the PAGA Period.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED]. The Individual PAGA Payment will not have taxes withheld before distribution and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Participating Class Member Payment and Individual PAGA Payment reflected in this Notice is only an estimate. Your actual Participating Class Member Payment and/or Individual PAGA Payment may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount and the Employer's Taxes, Plaintiffs and all Participating Class Members shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties from the Class Released Claims, that arose during the Class Period, and Plaintiffs, as representatives for the State of California and all Aggrieved Employees (to the extent permitted by law) shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties from the PAGA Released Claims that arose during the PAGA Period.

"Class Released Claims" means any and all claims, arising during the Class Period, that have been, or could have been, asserted against Defendant and any of the other Released Parties based on the facts, matters, transactions or occurrences alleged in the Operative Complaint, including, but not limited to, the following claims: failure to pay all wages earned for all hours worked at the correct rate including minimum, regular, and overtime wages; failure to provide meal periods or additional premium pay in lieu thereof at the correct rate; failure to provide rest breaks or additional premium pay in lieu thereof at the correct rate; failure to provide notice of and/or paid sick leave; failure to pay vested vacation time at termination; failure to pay waiting time penalties; failure to reimburse necessary business expenses; failure to timely pay wages upon separation; failure to timely pay wages owed during employment; failure to issue accurate itemized wage statements; failure to maintain accurate payroll records; failure to produce requested employment records; including claims for violations of California Labor Code §§ 201–204, 210, 218.5, 218.6, 221, 223, 226, 226.3, 226.4, 226.7, 227.3, 245–248.6, 432, 510, 512, 558, 558.1, 1174, 1174.5, 1182.11, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, 2926, and 2927; related violations of the applicable California Wage Orders; and related violations of California Business and Professions Code section 17200, *et seq.*

"PAGA Released Claims" means all claims for penalties under California Labor Code Section 2698, arising during the PAGA Period against the Released Parties that have been, or could have been, asserted based on the facts, matters, transactions, or occurrences alleged in Plaintiffs' PAGA notices to the LWDA and the Operative Complaint, including, but not limited to, the following claims: failure to pay all wages earned for all hours worked at the correct rate including minimum, regular, and overtime wages; failure to provide meal periods or additional premium pay in lieu thereof at the correct rate; failure to provide rest breaks or additional premium pay in lieu thereof at the correct rate; failure to provide notice of and/or paid sick leave; failure to pay vested vacation time at termination; failure to pay waiting time penalties; failure to reimburse necessary business expenses; failure to timely pay wages upon separation; failure to timely pay wages owed during employment; failure to issue accurate itemized wage statements; failure to maintain accurate payroll records; failure to produce requested employment records; including claims for violations of California Labor Code §§ 201,

201.3, 202–204, 210, 218.5, 218.6, 221, 223, 226, 226.3, 226.4, 226.7, 227.3, 245–248.6, 432, 510, 512, 558, 558.1, 1174, 1174.5, 1182.11, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 2698, 2699.5, 2800, 2802, 2926, and 2927; and related violations of the applicable California Wage Orders.

“Released Parties” means and includes Sarku and its current and former parents, predecessors or successors, holding companies, affiliated entities, owners, shareholders, members, partners, officers, directors, managers, employees, insurers, and agents.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount (\$136,500) and reimbursement of actual costs incurred by Class Counsel in prosecuting the Action in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000) (collectively, **“Attorneys’ Fees and Costs”**), subject to approval by the Court. All Attorneys’ Fees and Costs awarded by the Court will be paid from the Gross Settlement Amount.

F. Enhancement Awards to Plaintiffs

Plaintiffs will seek up to the amounts of Ten Thousand Dollars (\$10,000) each for Plaintiffs (not to exceed \$40,000) (**“Enhancement Award(s)”**), in recognition of their services in connection with the Action. The Enhancement Awards will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to their Participating Class Member Payments and Individual PAGA Payments that they are entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Ten Thousand Five Hundred Dollars (\$10,500) (**“Settlement Administration Costs”**) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Opt-Out Requests, objections, and Pay Period Disputes, calculating Participating Class Member Payments and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and issued your Participating Class Member Payment unless you decide to exclude yourself from the Settlement.

Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will release the Class Released Claims described in Section III.D above.

If eligible, you will automatically be issued an Individual PAGA Payment and release the PAGA Released Claims described in Section III.D above.

B. Opt-Out of the Settlement

If you do not wish to participate in the Settlement, you must opt-out of the Settlement by submitting a written request (**“Opt-Out Request”**) to the Settlement Administrator.

An Opt-Out Request must: (i) contain your full name, current address, and signature; (ii) contain the name and number of the Action (*Guerrero v. SAR California Holdco Inc. dba Sarku Japan*, Case No. BCV-23-104255); (iii) clearly express your desire to be excluded (or opt out) of the Settlement; and (iv) be returned to the Settlement Administrator so that it is

postmarked **on or before** [end of Notice Period], at the following mailing address:

[Settlement Administrator]
[Mailing Address]
[Fax Number]

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Opt-Out Request will not be entitled to receive a Participating Class Member Payment from the Settlement, will not be bound by the Class portion of the Settlement and release of Class Released Claims described in Section III.D above, and will not have any right to object to, appeal, or comment on the Settlement. Regardless of whether a Class Member submits a valid and timely Opt-Out Request, if the Class Member is also an Aggrieved Employee, the Class Member will be bound by the PAGA Settlement and release of the PAGA Released Claims described in Section III.D above, and will be paid an Individual PAGA Payment.

C. Object to the Settlement

You can object to the terms of the Settlement by submitting a written objection to the Settlement Administrator by mail, postmarked **no later than** [the end of Notice Period], or by appearing at the Final Approval Hearing and presenting your objection to the Court at that time.

An objection must contain: (i) your full name, current address, and signature (by you or your legally-authorized representative); (ii) the name and number of the Action (*Guerrero v. SAR California Holdco Inc. dba Sarku Japan*, Case No. BCV-23-104255); (iii) a statement of the specific reasons why you believe the Settlement Agreement is unfair or otherwise object to the Settlement Agreement; and (iv) a statement of whether you intend to appear at the Final Approval Hearing, either in person or through counsel and, if through counsel, a statement identifying that counsel by name, bar number, address, and telephone number.

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

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 17 of the Kern County Superior Court, located at 1415 Truxtun Ave., Bakersfield, CA 93301, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys' Fees and Costs to Class Counsel, the Enhancement Awards to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued by the Court without further notice to Class Members. You do not need to appear at the Final Approval Hearing, although you may appear if you wish to. You may contact the Settlement Administrator or check the Court's website beforehand to verify the date and time of the Final Approval Hearing.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Clerk of the Kern County Superior Court, located at the Kern County Superior Court, 1415 Truxtun Ave., Bakersfield, CA 93301. Some documents and information regarding the Action can also be accessed online for free or at a minimal charge at the Kern County Superior Court's website, using the eCourt Public Portal or Odyssey Portal, at the following web address, <https://www.kern.courts.ca.gov/online-services/case-information-search>, using the case number of the Action.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.