

**PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND
RELEASE**

This Private Attorneys General Act Settlement Agreement and Release (Settlement Agreement” or “Settlement”) is entered into by and between Odalys Montejo (“Plaintiff”), individually and as a representative of the State of California and the Aggrieved Employees (as defined in Section 1(c) below) and Team Nissan, LLC (“Defendant”), subject to approval by the Court. The term “Party” or “Parties” as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

1. **Definitions.** In addition to the other terms defined in this Agreement, the terms below have the following meaning:

- (a) **Action.** The term “Action” includes: (1) the complaint for Enforcement under the Private Attorneys General Act, Cal. Labor Code Sections 2698, et seq (the “Operative Complaint”) filed by Plaintiff Odalys Montejo on December 15, 2023 in the Superior Court of California, County of Ventura, entitled *Odalys Montejo v. Team Nissan LLC*, Case No. 2023CUOE017853; and (2) the written notice submitted on behalf of Plaintiff to the California Labor and Workforce Development Agency (“LWDA”) and Defendant on October 9, 2023, to notify the LWDA and Defendant pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, et seq. (“PAGA”), of Plaintiff’s intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-986573-23 (“PAGA Notice”);
- (b) **Agreement, Settlement Agreement, or Settlement.** The settlement terms reflected in this document, titled the Private Attorneys General Act Settlement Agreement and Release.
- (c) **Aggrieved Employees.** All persons currently or formerly employed by Defendant as non-exempt or hourly-paid employees as well as those who fall under the salesperson exemption in the State of California during the PAGA Period, defined as October 9, 2022 to June 15, 2024.
- (d) **Attorneys’ Fees and Costs.** The amounts allocated to Plaintiff’s Counsel for reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- (e) **Court.** The Court means the Superior Court of California, County of Ventura.
- (f) **Defendant.** Team Nissan, LLC
- (g) **Defense Counsel.** Christine Baran of Fisher and Phillips LLP

- (h) **Effective Date.** The term “Effective Date” means when all of the following events have occurred: (1) the Settlement Agreement has been executed by all Parties, Plaintiff’s Counsel, and Defense Counsel; (2) Notice of the Settlement has been sent to the LWDA; (3) the Court has given approval of the Settlement; and (4) the Court has entered the Court’s Final Order and Judgment.
- (i) **Gross Settlement Amount or GSA.** The Gross Settlement amount means One Hundred Forty-Nine Thousand Dollars and Zero Cents (\$149,000.00) which is the total amount Defendant must pay under the Settlement. The Gross Settlement Amount will be used to pay the Service Award, the Attorneys Fees and Costs, and the Settlement Administration Costs.
- (j) **Net Settlement Amount or NSA.** The Net Settlement Amount means the amount remaining from the Gross Settlement Amount deducting the Attorneys Fees and Costs, Service Award, and Settlement Administration Costs. The Net Settlement Amount shall be used to satisfy the PAGA Representative’s claims for civil penalties arising under PAGA asserted on behalf of the Aggrieved Employees and the LWDA. Twenty-five (25%) of the NSA shall be allocated to the Aggrieved Employees (Employee’s Portion) and distributed based on the pro rata number of Pay Periods worked by each Aggrieved Employee during the PAGA Period. Seventy-Five percent (75%) of the NSA shall be paid to the LWDA (LWDA Payment).
- (k) **PAGA Released Claims.** Upon the Effective Date of the Settlement and Defendant’s fulfillment of its payment obligations set forth herein, Plaintiff and Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant and the Released Parties during the PAGA Period for civil penalties under the PAGA as alleged or that could have reasonably been alleged in the Action based on the facts stated therein against Defendant, including but not limited to: claims for failure to pay overtime wages; failure to pay minimum wages; any claims for additional wages owed due to “off the clock” work or rounding; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due; failure to pay all wages earned at least twice during each calendar month; waiting time penalties; failure to pay timely wages during employment; wage statement violations; failure to keep and maintain accurate payroll records; failure to reimburse expenses; violation of Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226(a), 226.3, 226.7, 226.7(c), 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2699, 2800, 2802, and the applicable Wage Order and/or claims for attorneys’ fees under Code of Civil Procedure section 1021.5 and/or claims for interest under Civil Code Sections 3287(b) and 3289. The release also includes any allegations brought in the Action, or any amended Complaint, including a release from the State of California (to the extent Plaintiff is permitted to provide such a release for the State of California for the PAGA Period) of all PAGA claims alleged or could have been alleged in the Action which occurred during the PAGA Period. The Parties agree to take all necessary steps to make sure that a release covering all of the foregoing claims is

approved by the Court, including if necessary and requested by the court amending the complaint.

(l) **PAGA List.** The term “PAGA List” means a complete list of all Aggrieved Employees through the PAGA Period that Defendant will diligently and in good faith compile from its records and provide the Settlement Administrator containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; (v) start and end dates of employment; and (vi) number of Pay Periods.

(m) **Plaintiff.** “Plaintiff” means Odalys Montejo.

(n) **Plaintiff’s Counsel.** Blackstone Law, APC

(o) **Released Parties.** Defendant and all of its past, present, and future respective subsidiaries, dba’s, affiliates, parents, predecessors, successors, investors, and their current and former employees, managing agents, servants, consultants, agents, directors, officers, members, independent contractors, representatives, insurers, reinsurers, and attorneys.

(p) **Service Award.** The amount to be paid to Plaintiff, in recognition of her efforts and work in prosecuting the Action on behalf of the Aggrieved Employees.

(q) **Settlement Administration Costs.** The amount to be paid to the Settlement Administrator for the costs of administration of the Settlement from the Gross Settlement Amount not to exceed Four Thousand Dollars and Zero Cents (\$4,000.00).

(r) **Settlement Administrator.** The third-party administrator agreed upon by the Parties to administer this Settlement is Apex Class Action Administrators, LLC.

2. **Recitals.** This Settlement Agreement is made with reference to the following facts:

(a) Plaintiff is a former employee of Defendant. Plaintiff was employed by Defendant from approximately November 2021 to December 2022;

(b) On October 9, 2023, Plaintiff’s Counsel submitted the PAGA Notice on behalf of Plaintiff to the LWDA and Defendant to notify the LWDA and Defendant pursuant to the PAGA, of Plaintiff’s intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-986573-23;

(c) On December 15, 2023, Plaintiff filed the Operative Complaint against Defendant, asserting a single cause of action for civil penalties under PAGA for violations of multiple provisions of the California Labor Code and the applicable Industrial Welfare

Commissions Wage Orders;

(d) On May 3, 2024, the Parties mediated the Action with mediator Monique Ngo-Bonnici, and, with the aid of the mediator's evaluation, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety;

(e) There has been no determination on the merits of the Action or the PAGA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and the PAGA Released Claims (as defined above).

3. **No Admission of Liability or Representative Manageability for Other Purposes.** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Action have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. Defendant generally and specifically denies any and all liability or wrongdoing with any of the claims alleged in the Action or that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Defendant further makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for representative treatment. Defendant asserts several defenses to the claims and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted. Except as necessary in a proceeding to enforce the terms of this Settlement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law. Nor shall anything in this Agreement be construed or deemed an admission that the Action was properly brought as Private Attorney General Action under PAGA. Finally, nothing in this Agreement or in the Court's approval of the Settlement and/or Final Judgment shall be deemed a waiver of Defendant's right to enforce the arbitration agreements of Aggrieved Employees in the future.

4. **Consideration.**

(a) Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount that Defendant is obligated to pay under this Settlement Agreement is One Hundred Forty-Nine Thousand Dollars and Zero Cents (\$149,000.00) to resolve the Action and the PAGA Released Claims (as defined above), which will be paid as follows:

(1) Attorneys' fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount, which is Fifty-Two Thousand One Hundred Fifty Dollars and Zero Cents (\$52,150.00), and reimbursement of litigation costs and expenses in the amount of up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00) (collectively, "Attorneys' Fees and Costs") to Plaintiff's Counsel, which Defendant will not contest.

(2) A service award of up to the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) ("Service Award") to Plaintiff, which Defendant will not contest.

(3) Settlement Administration Costs of administration up to the amount of Four Thousand Dollars and Zero Cents (\$4,000.00) to the Settlement Administrator.

(4) The amounts stated in Sections 4(a)(1) – 4(a)(3) above, once approved by the Court, shall be paid from the Gross Settlement Amount. The balance remaining after these deductions is referred to as the Net Settlement Amount.

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA ("LWDA Payment"); and the remaining twenty-five percent (25%) will be distributed to the Aggrieved Employees. The twenty-five percent (25%) portion of the Net Settlement Amount payable to the Aggrieved Employees is referred to as the "Employees' Portion."

(6) Defendant represents there were no more than approximately 2,952 pay periods worked by the Aggrieved Employees through the date of mediation. In the event the number of pay periods worked through the PAGA Period increases by more than 10% (i.e. there are more than 3247 pay periods worked through June 15, 2024), then Defendant shall, at its option, either (a) increase the GSA proportionally by the pay periods in excess of the 10% threshold; or (b) cap the PAGA Release Period as of the date the number of pay periods reaches but does not exceed 10%. Under option (a) an increase by more than 10% shall mean should the number of pay periods increase by more than 10% through the PAGA Period, this will increase the GSA proportionally over the 10% increase. For example, if the number of pay periods increases by 11% through the PAGA Period, and Defendant elects option (a) set forth above, then the GSA shall increase by 1%. ("Escalator Clause").

(b) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys' Fees and Costs, Service Award, and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 4(a)(1-5) above will be treated and reported for tax purposes as non-wage payments and the Settlement Administrator will be responsible for issuing IRS Forms 1099, as required.

5. Approval and Implementation of the PAGA Settlement.

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement

with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Action to implement the Settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 4(a)(1-5) above.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Defense Counsel for review. Defense Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Settlement Agreement shall be null and void, and the Parties will have no obligations under it. The sum of the Attorney Fees and Costs, Service Award, and Settlement Administration Costs shall be determined by the Court. The Court's approval or denial of any amount requested for these items is not a condition of this Agreement and shall be considered separate and apart from the fairness, reasonableness, and adequacy of this Agreement. Any order or proceeding relating to an application for the Attorney Fees and Costs, Service Award, or Settlement Administration Costs shall not operate to terminate or cancel this Agreement.

6. Payment of the Gross Settlement Amount / Notice to Recipients.

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 4(a)(1-5) above shall be made by Defendant by transmitting the Gross Settlement Amount to a qualified settlement account established by the Settlement Administrator for administration of this Settlement, within twenty-one (21) calendar days of the Court's order granting approval of this Settlement Agreement. If the date by which payment by Defendant is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

(b) Each Aggrieved Employee will be entitled to a *pro rata* share of 25% of the Net Settlement Amount (i.e., the Employees' Portion) based upon the number of pay periods they were employed by Defendant during the PAGA Period ("Pay Periods"), based on Defendant's payroll records. Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual PAGA Payment"), the Settlement Administrator shall: (i) for

each Aggrieved Employee, divide the number of Pay Periods the Aggrieved Employee was employed by Defendant by the total aggregate number of Pay Periods of all Aggrieved Employees, and then (ii) multiply this fraction by the Employees' Portion to arrive at each Aggrieved Employee's Individual PAGA Payment.

(1) One hundred percent (100%) of all Individual PAGA Payments are to be considered penalties and the Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual PAGA Payments will be reported on an IRS Form 1099, as required.

(c) The Settlement Administrator shall distribute each Individual PAGA Payment by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the form attached hereto as "**Exhibit A**," in the following manner:

(1) No later than seven (7) calendar days after the Court's order granting approval of the Settlement, Defendant shall provide the Settlement Administrator with the PAGA List as defined above.

(2) The Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

(3) No later than seven (7) calendar days after the Settlement Administrator receives the PAGA List and Gross Settlement Amount, the Settlement Administrator shall mail the agreed-upon Cover Letter and Individual PAGA Payment checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by First-Class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator shall promptly attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be canceled. Funds associated with such canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s).

(5) No later than seven (7) calendar days after the Settlement Administrator receives the PAGA List and Gross Settlement Amount, the Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(6) No later than seven (7) calendar days after the Settlement Administrator receives the PAGA List and Gross Settlement Amount, the Settlement Administrator shall transmit the Service Award to Plaintiff.

(7) No later than seven (7) calendar days after the Settlement Administrator receives the PAGA List and Gross Settlement Amount, the Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiff's Counsel.

(8) No later than seven (7) calendar days after the Settlement Administrator receives the PAGA List and Gross Settlement Amount, the Settlement Administrator shall transmit the Settlement Administration Costs to itself.

7. Release of Claims by Plaintiff and the State of California with Respect to the Aggrieved Employees.

(a) Released PAGA Claims. As of the Effective Date and upon Defendant's fulfillment of its payment obligations set forth herein, Plaintiff and Aggrieved Employees shall fully and finally release and discharge Released Parties from the PAGA Released Claims, as set forth in Section 1 Definitions subsections (k) and (o) above.

(b) Separate Non-PAGA Settlement Agreement. The Parties have separately entered into a confidential settlement agreement regarding the non-PAGA claims by Plaintiff against Defendant arising out of Plaintiff's employment with Defendant and the termination of that employment. Nothing in this Agreement shall be construed to limit the Parties' rights under the separate agreement.

8. Governing Law and Interpretation.

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and said provision cannot be modified to be enforceable, that provision shall immediately become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing Party.

9. Amendment. This Settlement Agreement may not be modified, altered, or changed except in writing and signed by both Parties' counsel, subject to approval by the Court.

10. Miscellaneous.

(a) Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the

Settlement.

(b) **Jurisdiction of the Court.** The Parties agree that the Court shall retain continuing jurisdiction over the Action under CCP 664.6 to ensure the continuing implementation of the provisions of this Settlement.

(c) **Execution in Counterpart.** This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement, or a signature transmitted by electronic mail shall have the same effect as the original signature.

(d) **Headings.** The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

(e) **Cooperation in Drafting.** This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator Monique Ngo-Bonnici. In the event of vagueness, ambiguity, or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(f) **No Waiver.** If Plaintiff or Defendant fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. This Settlement Agreement remains in full force and effect anyway.

(g) **No Assignment.** Plaintiff represents, covenants, and warrants, that she has not assigned, transferred, unencumbered, or purported to assign, transfer, or encumber to any person or entity any portion of liability claim, demand, action, cause of action or rights herein released and discharged.

(h) **Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their successors-in-interest and subject to Court approval.

(i) **Notice of Settlement to LWDA.** Plaintiff represents that at the same time she files a Motion for Approval of the Settlement, she will give notice of this Agreement and proposed Settlement to the LWDA as required by Labor Code section 2699(1)(2).

(j) **Effect of PAGA Settlement.** As of the Effective Date, this settlement shall serve to preclude Plaintiff, the LWDA, and any other representative, proxy, or agent thereof, including but not limited to, any and all Aggrieved Employees during the PAGA Period from pursuing or obtaining civil penalties under the California Labor Code PAGA, Labor Code § 2698, *et seq.*, against, the Released Parties based on the PAGA Released Claims.

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

PLAINTIFF ODALYS MONTEJO

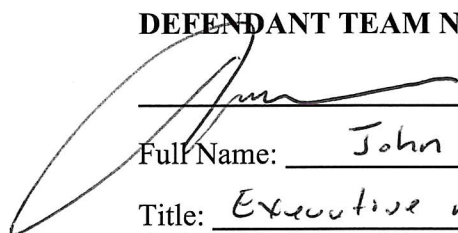
Dated: 01/14/2025



Odalys Montejo

DEFENDANT TEAM NISSAN LLC

Dated: 1/14/2025



Full Name: John Leal

Title: Executive Manager
On behalf of Team Nissan LLC

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: 01/16/2025



Jonathan M. Genish
Barbara DuVan-Clarke
Attorneys for Plaintiff Odalys Montejo

FISHER & PHILLIPS LLP

Dated: 01/14/2025



Christine Baran
Attorneys for Defendant Team Nissan LLC

Exhibit A

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>><<State>><<Zip>>

Re: Settlement Payment from *Odalys Montejo v. Team Nissan LLC*, Ventura County
Superior Court Case No. 2023CUOE017853

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual PAGA Payment”). This check is your payment from the settlement in the lawsuit entitled *Odalys Montejo v. Team Nissan LLC*, Ventura County Superior Court Case No. 2023CUOE017853 (“Action”).

The lawsuit was filed on December 15, 2023 by Odalys Montejo (“Plaintiff”) against her former employer Team Nissan LLC (“Defendant”), on behalf of the State of California, with respect to herself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, claims for failure to pay overtime wages; failure to pay minimum wages; any claims for additional wages owed due to “off the clock” work or rounding; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due; failure to pay all wages earned at least twice during each calendar month; waiting time penalties; failure to pay timely wages during employment; wage statement violations; failure to keep and maintain accurate payroll records; and failure to reimburse expenses. Prior to initiating the lawsuit, on October 9, 2023, Plaintiff submitted a letter to the California Labor and Workforce Development Agency (“LWDA”), pursuant to PAGA, to provide notice of her intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-986573-23 (“PAGA Notice”).

Defendant denies all of Plaintiff’s allegations and denies any wrongdoing of any kind associated with Plaintiff’s allegations. A settlement was reached between Plaintiff and Defendant.

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid or non-exempt employees as well as those who fall under the salesperson exemption who worked for Defendant within the State of California at any time during the PAGA Period (“Aggrieved Employees”). The period October 9, 2022 to <> is the “PAGA Period.”

You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified as an Aggrieved Employee. Your Individual PAGA Payment is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period. The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099 (if applicable). You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of full funding of the Gross Settlement Amount>>, the Released Parties were fully, finally, and forever released, settled, compromised, relinquished, and discharged from the Released Claims.

“Released Parties” means Defendant and all of their past, present, and future respective subsidiaries, dba's, affiliates, parents, predecessors, successors, investors, and their current and former employees, managing agents,

COVER LETTER

servants, consultants, agents, directors, officers, members, independent contractors, representatives, insurers, reinsurers, and attorneys.

“Released Claims” means claims which occurred during the PAGA Period for failure to pay overtime wages; failure to pay minimum wages; any claims for additional wages owed due to “off the clock” work or rounding; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due; failure to pay all wages earned at least twice during each calendar month; waiting time penalties; failure to pay timely wages during employment; wage statement violations; failure to keep and maintain accurate payroll records; failure to reimburse expenses; violation of Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226(a), 226.3, 226.7, 226.7(c), 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2699, 2800, 2802, and the applicable Wage Order and/or claims for attorneys’ fees under Code of Civil Procedure section 1021.5 and/or claims for interest under Civil Code Sections 3287(b) and 3289. The release also includes any allegations brought in the Action, or any amended Complaint, including a release from the State of California (to the extent Plaintiff is permitted to provide such a release for the State of California for the PAGA Period) of all PAGA claims alleged or which could have been alleged in the Action which occurred during the PAGA Period.

The enclosed check is valid for 180 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller’s Office Unclaimed Property Division in your name and in the amount of your Individual PAGA Payment.

Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant’s counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [Settlement Administrator] at [toll-free phone number].