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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF SANTA CLARA**
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11 DANIEL DAUZON, individually, and on behalf
12 of all others similarly situated,

13 Plaintiff,
14 vs.
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16 CLARMIL MANUFACTURING
17 CORPORATION, a California corporation; and
18 DOES 1 through 10, inclusive,

19 Defendants.
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Case No.: 23CV424044

**CLASS AND REPRESENTATIVE ACTION
SETTLEMENT AGREEMENT AND CLASS
NOTICE**

Complaint filed: October 12, 2023
Trial date: Not set

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Daniel Dauzon (“Plaintiff”) and Defendant Clarmil Manufacturing Corporation (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Dauzon v. Clarmil Manufacturing Corporation*, pending in the Superior Court of the State of California, County of Santa Clara, Case No. 23CV424044.
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions (“Phoenix”) the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee(s)” means all individuals who worked for Defendant in California as hourly, non-exempt employees at any time during the PAGA Period.
- 1.5. “Class” consists of all individuals who worked for Defendant in California as hourly, non-exempt employees at any time during the Class Period.
- 1.6. “Class Counsel” means Moon Law Group, PC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address (“NCOA”) database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, in the form, without material variation unless otherwise agreed by the Parties, attached as Exhibit A and incorporated by reference into this Agreement. The Parties, through counsel, may agree to modifications to the Class Notice required to correct errors or effectuate changes required by the Court without the need to amend this Agreement, and the revised Class Notice shall be incorporated herein in place of the original Exhibit A.
- 1.12. “Class Period” means the period from October 12, 2019, to February 1, 2024.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as the Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative, Daniel Dazon, for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means any court before which the Parties seek settlement approval of this Agreement, including the Superior Court of California, County of Santa Clara.
- 1.16. “Defendant” means Clarmil Manufacturing Corporation, the named defendant in the Action.
- 1.17. “Defense Counsel” means Sagaser, Watkins & Wieland, PC.
- 1.18. “Effective Date” means: (a) the date the Court grants the Final Approval Order, if no objections are asserted and no individual seeks to intervene in the matter; or (b) sixty-five (65) calendar days after the date of entry of the Final Approval Order, if any objections are asserted or any individual seeks to intervene in the matter but no appeal is filed; or (c) if a timely appeal is made, ten (10) business days after the final resolution of that appeal if the appeal is rejected or dismissed, the settlement is upheld, and the

settlement approval order is no longer subject to further judicial review.

1.19. “Final Approval Order” means the Court’s order granting final approval of the Settlement.

1.20. “Final Approval Hearing” means the Court’s hearing on the motion for final approval of the Settlement.

1.21. “Gross Settlement Amount” means \$300,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the Administration Expenses Payment.

1.22. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.23. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.24. “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699(i).

1.26. “LWDA PAGA Payment” means the 75% portion of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).

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

1.28. “Non-Participating Class Member” means any Class Member who opts out of the Class portion of the Settlement by sending the Administrator a valid and timely Request for

Exclusion.

1.29. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.30. "PAGA Period" means the period from October 12, 2023 to February 1, 2024.

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

1.32. "PAGA Notice" means Plaintiff's letter to Defendant and the LWDA, dated October 8, 2023, providing notice pursuant to Labor Code § 2699.3(a).

1.33. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.

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

1.35. "Plaintiff" means Daniel Dauzon, the named plaintiff in the Action.

1.36. "Preliminary Approval Hearing" means the hearing of the motion requesting preliminary approval of the Class portion of the Settlement.

1.37. "Preliminary Approval Order" means the order granting preliminary approval of the Class portion of the Settlement.

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

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

1.40. "Released Parties" means Defendant, and all related companies, subsidiaries, owners, shareholders, board members, officers, members, agents, former and present representatives, attorneys, heirs, administrators, former and present employees, predecessors, successors, and assigns.

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

1.42. "Response Deadline" means sixty (60) calendar days after the Administrator mails Notice

to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Class portion of the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. The Response Deadline for Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall be extended by fourteen (14) calendar days beyond the original Response Deadline.

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

1.44. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1. On October 12, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum and Regular Rate Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); (2) Failure to Pay Overtime Compensation (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to Authorize and Permit Rest Breaks (Cal. Lab. Code §§ 226.7); (5) Failure to Indemnify Necessary Business Expenses (Cal. Lab. Code § 2802); (6) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (7) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); and (8) Unfair Business Practices (Cal. Bus. & Prof. Code § 17200, et. seq.).

2.2. On December 16, 2023, Plaintiff filed a First Amended Complaint alleging an additional cause of action against Defendant for civil penalties under the Private Attorneys General Act (“PAGA”). The First Amended Complaint will be the operative complaint in the Action (the “Operative Complaint.”)

2.3. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.4. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant and

the LWDA by sending the PAGA Notice.

2.5. On October 23, 2025, the Parties participated in an all-day mediation presided over by wage and hour mediator, Marc Feder, which led to this Agreement to settle the Action.

2.6. Prior to mediation, Plaintiff obtained, through informal discovery, electronic time and pay periods, policy documents, and data about the Class. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.7. The Court has not granted class certification.

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

3. **MONETARY TERMS.**

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$300,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$7,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a

Participating Class Member and Aggrieved Employee), as approved by the Court. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Class Representative Service Payment will be reported using IRS Form 1099. Plaintiff assumes full responsibility and liability for any taxes owed on the Class Representative Service Payment(s).

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3%, which is currently estimated to be \$100,000.00, subject to the escalator clause, and a Class Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel, or any other Plaintiff's Counsel, arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or

controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment are less or the Court approves payment less than \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

3.2.4.1. Tax Allocation of Individual Class Payments. Fifteen percent (15%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. Eighty five percent (85%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Workweeks of Non-Participating Class Members are not included in the calculation of payments to Participating Class Members and therefor have no effect on the calculation of Individual Class Payments paid from the Net Settlement Amount.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$25,000.00 to be paid from the Gross Settlement Amount, with 75% (\$18,750.00)

allocated to the LWDA PAGA Payment and 25% (\$6,250.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of the \$6,250.00 in PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than the later of: (a) the date on which the Court enters Final Approval Order, or (b) December 31, 2026.

4.2. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.

4.2.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 calendar days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date.

1 The Administrator will send checks for Individual Settlement Payments to all
2 Participating Class Members (including those for whom Class Notice was returned
3 undelivered). The Administrator will send checks for Individual PAGA Payments
4 to all Aggrieved Employees including Non-Participating Class Members who
5 qualify as Aggrieved Employees (including those for whom Class Notice was
6 returned undelivered). The Administrator may send Participating Class Members a
7 single check combining the Individual Class Payment and the Individual PAGA
8 Payment. Before mailing any checks, the Settlement Administrator must update
9 the recipients' mailing addresses using the NCOA database.

10 4.2.2. The Administrator must conduct a Class Member Address Search for all other
11 Class Members whose checks are returned undelivered without a United States
12 Postal Service ("USPS") forwarding address. Within seven (7) calendar days of
13 receiving a returned check the Administrator must re-mail checks to the USPS
14 forwarding address provided or to an address ascertained through the Class
15 Member Address Search. The Administrator need not take further steps to deliver
16 checks to Class Members whose re-mailed checks are returned as undelivered. The
17 Administrator shall promptly send a replacement check to any Class Member
18 whose original check was lost or misplaced, requested by the Class Member prior
19 to the void date.

20 4.2.3. For any Class Member whose Individual Class Payment check or Individual
21 PAGA Payment check is uncashed and cancelled after the void date, the
22 Administrator shall transmit the funds represented by such checks to the California
23 Controller's Unclaimed Property Fund in the name of the Class Member thereby
24 leaving no "unpaid residue" subject to the requirements of California Code of Civil
25 Procedure § 384(b).

26 4.2.4. The payment of Individual Class Payments and Individual PAGA Payments shall
27 not obligate Defendant to confer any additional benefits or make any additional
28 payments to Class Members (such as 401(k) contributions or bonuses) beyond

those specified in this Agreement.

5. RELEASES OF CLAIMS.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release.

5.1.1. Scope of Plaintiff's Release. Plaintiff releases and discharges Released Parties from all claims, transactions, or occurrences, known or unknown, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in Plaintiff's PAGA Notice. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.2. Plaintiff's Waiver of Rights Under California Civil Code § 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of Section 1542 of the California Civil Code, which reads:

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

5.2. Release by Participating Class Members: All Participating Class Members, on behalf of

1 themselves and their respective former and present representatives, agents, attorneys, heirs,
2 administrators, successors, and assigns, release Released Parties from any and all class
3 claims that were asserted in First Amended Class and Representative Action Complaint
4 in the Action (“FAC”) or that could have arisen out of the allegations made in the FAC,
5 for the duration of the Class Period.

6 5.3. PAGA Release: All Aggrieved Employees and the LWDA will release all claims for civil
7 penalties under PAGA asserted in the FAC, or that could have arisen out of the allegations
8 made in the FAC, and the PAGA Notice or claims for civil penalties under PAGA that
9 arise based on the allegations in the FAC and the PAGA Notice, for the duration of the
10 PAGA Period.

11 **6. MOTION FOR PRELIMINARY APPROVAL.**

12 Plaintiff shall file a motion for preliminary approval (“Motion for Preliminary Approval”) subject to the
13 review by Defendant, as follows:

14 6.1. Plaintiff’s Responsibilities. Plaintiff will prepare documents necessary for obtaining a
15 Preliminary Approval Order, including: (i) a draft of the notice, and memorandum in
16 support, of the Motion for Preliminary Approval that includes an analysis of the Settlement
17 under governing case law and a request for approval of the PAGA Settlement under Labor
18 Code § 2699(f)(2)); (ii) a draft Preliminary Approval Order; (iii) a draft proposed Class
19 Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid
20 for administering the Settlement and attesting to its willingness to serve; competency;
21 operative procedures for protecting the security of Class Data; amounts of insurance
22 coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant
23 to any actual or potential conflicts of interest with Class Members; and the nature and
24 extent of any financial relationship with Plaintiff, Class Counsel, Defendant, or Defense
25 Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to
26 serve and disclosing all facts relevant to any actual or potential conflicts of interest with
27 Class Members, and the Administrator; and, (vi) a signed declaration from each Class
28 Counsel firm attesting to its competency to represent the Class Members; its timely

transmission to the LWDA of all necessary PAGA documents; and, all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator. Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement or disclose the existence of any such pending matters. Alternatively, if such other actions are filed between the execution of this Agreement and the filing of the Motion for Preliminary Approval and become known to Class Counsel, Class Counsel will advise Defense Counsel.

6.2. Responsibilities of Counsel. Class Counsel are responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than forty-five (45) calendar days after the full execution of this Agreement (extended in the event that any court processes delay the ability to file the Motion); obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected Phoenix to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel

1 represent that they have no interest or relationship, financial or otherwise, with the
2 Administrator other than a professional relationship arising out of prior experiences
3 administering settlements.

4 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
5 Identification Number for purposes of calculating payroll tax withholdings and providing
6 reports state and federal tax authorities.

7 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
8 the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation §
9 468B-1.

10 7.4. Class Data. Not later than fifteen (15) calendar days after the Court enters a Preliminary
11 Approval Order, Defendant will deliver the Class Data to the Administrator, in the form of
12 a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the
13 Administrator must maintain the Class Data in confidence, use the Class Data only for
14 purposes of this Settlement and for no other purpose, and restrict access to the Class Data
15 to Administrator employees who need access to the Class Data to effect and perform under
16 this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it
17 discovers that the Class Data omitted class member identifying information and to provide
18 corrected or updated Class Data as soon as reasonably feasible. Without any extension of
19 the deadline by which Defendant must send the Class Data to the Administrator, the
20 Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or
21 otherwise resolve any issues related to missing or omitted Class Data.

22 7.5. Notice to Class Members.

23 7.5.1. No later than three (3) business days after receipt of the Class Data, the
24 Administrator shall notify Class Counsel that the list has been received and state
25 the number of Class Members, Aggrieved Employees, Workweeks, and Pay
26 Periods in the Class Data.

27 7.5.2. Using best efforts to perform as soon as possible, and in no event later than
28 fourteen (14) calendar days after receiving the Class Data, the Administrator will

1 send to all Class Members identified in the Class Data, via first-class USPS mail,
2 the Class Notice with Spanish translation substantially in the form attached to this
3 Agreement as Exhibit A. The first page of the Class Notice shall prominently
4 estimate the dollar amounts of each Individual Class Payment and/or Individual
5 PAGA Payment payable to the Class Member and/or Aggrieved Employee, and the
6 number of Workweeks and PAGA Pay Periods (if applicable) used to calculate
7 these amounts. Before mailing Class Notices, the Administrator shall update Class
8 Member addresses using the NCOA database.

9 7.5.3. Not later than three (3) business days after the Administrator's receipt of any Class
10 Notice returned by the USPS as undelivered, the Administrator shall re-mail the
11 Class Notice using any forwarding address provided by the USPS. If the USPS
12 does not provide a forwarding address, the Administrator shall conduct a Class
13 Member Address Search, and re-mail the Class Notice to the most current address
14 obtained. The Administrator has no obligation to make further attempts to locate
15 or send Class Notice to Class Members whose Class Notice is returned by the
16 USPS a second time.

17 7.5.4. The deadlines for Class Members' written objections, challenges to Workweeks
18 and/or pay periods, and Requests for Exclusion will be extended an additional
19 fourteen (14) calendar days beyond the sixty (60) calendar days otherwise provided
20 in the Class Notice for all Class Members whose notices are re-mailed. The
21 Administrator will inform the Class Member of the extended deadline with the re-
22 mailed Class Notice.

23 7.5.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise
24 discovers any persons who believe they should have been included in the Class
25 Data and should have received Class Notice, the Parties will expeditiously meet
26 and confer in person or by telephone, and in good faith, in an effort to agree on
27 whether to include them as Class Members. If the Parties agree, such persons will
28 be Class Members entitled to the same rights as other Class Members, and the

1 Administrator will send, via email or overnight delivery, a Class Notice requiring
2 them to exercise options under this Agreement not later than fourteen (14) calendar
3 days after receipt of Class Notice, or the deadline dates in the Class Notice, which
4 ever are later.

5 7.6. Requests for Exclusion (Opt-Outs).

6 7.6.1. Class Members who wish to exclude themselves (opt-out of) the Class portion of
7 the Settlement must send the Administrator, by fax, email, or mail, a signed written
8 Request for Exclusion not later than sixty (60) calendar days after the
9 Administrator mails the Class Notice (plus an additional fourteen (14) calendar
10 days for Class Members whose Class Notice is re-mailed). A Request for
11 Exclusion is a letter from a Class Member or his/her representative that reasonably
12 communicates the Class Member's election to be excluded from the Class portion
13 of the Settlement and includes the Class Member's name, address and email
14 address or telephone number. To be valid, a Request for Exclusion must be timely
15 faxed, emailed, or postmarked by the Response Deadline.

16 7.6.2. The Administrator may not reject a Request for Exclusion as invalid because it
17 fails to contain all the information specified in the Class Notice. The Administrator
18 shall accept any Request for Exclusion as valid if the Administrator can reasonably
19 ascertain the identity of the person as a Class Member and the Class Member's
20 desire to be excluded. The Administrator's determination shall be final and not
21 appealable or otherwise susceptible to challenge. If the Administrator has reason to
22 question the authenticity of a Request for Exclusion, the Administrator may
23 demand additional proof of the Class Member's identity. The Administrator's
24 determination of authenticity shall be final as to the Parties, but a Class Member
25 whose Request for Exclusion is rejected by the Administrator may present a
26 challenge to that determination to the Court.

27 7.6.3. Every Class Member who does not submit a timely and valid Request for
28 Exclusion is deemed to be a Participating Class Member under this Agreement,

entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.2 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.6.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees will still receive an Individual PAGA Payment and will be subject to a claim preclusion defense if they attempt to assert any of the Released PAGA Claims.

7.7. Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must instruct the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although Defendant shall retain the right to correct erroneous Class Data if subsequently discovered), but a Class Member whose Workweek and/or Pay Period challenge is rejected by the Administrator may present the same evidence supporting the Workweek and/or Pay Period challenge to the Court for review. The Administrator shall promptly provide copies of any challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel, along with the Administrator's determinations regarding any

challenges.

7.8. Objections to Settlement.

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

7.8.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) calendar days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice was re-mailed).

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

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

7.9.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the motion for final approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval Order and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

1 7.9.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
2 promptly review on a rolling basis Requests for Exclusion to ascertain their
3 validity. Not later than five (5) calendar days after the expiration of the deadline
4 for submitting Requests for Exclusion, the Administrator shall email a list to Class
5 Counsel and Defense Counsel containing (a) the names and other identifying
6 information of Class Members who have timely submitted valid Requests for
7 Exclusion (“Exclusion List”); (b) the names and other identifying information of
8 Class Members who have submitted invalid Requests for Exclusion; (c) copies of
9 all Requests for Exclusion from Settlement submitted (whether valid or invalid).

10 7.9.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
11 reports to Class Counsel and Defense Counsel that, among other things, tally the
12 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,
13 Requests for Exclusion (whether valid or invalid) received, objections received,
14 and challenges to Workweeks and/or PAGA Pay Periods received and/or resolved
15 (“Weekly Report”). The Weekly Reports must include provide the Administrator’s
16 assessment of the validity of Requests for Exclusion and attach copies of all
17 Requests for Exclusion and objections received. In addition to the Weekly Reports,
18 the Administrator shall report to the Parties when it has completed the initial
19 distribution of the Individual Class Payments and Individual PAGA Payments to
20 all individuals with valid addresses.

21 7.9.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to
22 address and make decisions consistent with the terms of this Agreement on all
23 Class Member challenges over the calculation of Workweeks and/or PAGA Pay
24 Periods. The Administrator’s determination of each Class Member’s allocation of
25 Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although
26 Defendant shall retain the right to correct erroneous Class Data if subsequently
27 discovered), but a Class Member whose Workweek and/or Pay Period challenge is
28 rejected by the Administrator may present the same evidence supporting the

Workweek and/or Pay Period challenge to the Court for review.

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

7.9.6. Final Report by Settlement Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE

Based on its records, Defendant believes that there are approximately 25,004 workweeks at issue during the Class Period. If the number of workweeks during the Class Period is ten percent (10%) higher, or 27,504 workweeks worked, then Defendant shall elect to either: (1) Pay a pro-rata increase in the Gross Settlement Amount equal to the percentage increase in workweeks above 27,504, or (2) roll back the Class

Period to a date whereby the workweek total is fewer than 27,504. The Parties agree that, before Plaintiff files the motion for preliminary approval—and sufficiently in advance of the preliminary approval hearing—Defendant shall provide the Settlement Administrator selected by the Parties with complete and accurate class data. The Settlement Administrator shall review and confirm the total number of class members, along with all corresponding workweek and pay period information, and shall prepare a declaration attesting to the final figures. The Administrator’s declaration shall be filed together with Plaintiff’s motion for preliminary approval or, at the latest, in advance of the preliminary approval hearing, so that the Court has confirmed final numbers prior to issuing its ruling.

9. DEFENDANT’S RIGHT TO WITHDRAW.

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated to, withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement administration expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) calendar days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL.

Plaintiff will timely file in Court a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code § 2699(l), a Proposed final approval order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven (7) calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

- 1 10.2. Duty to Cooperate. If the Court does not issue a Final Approval Order or conditions the
2 Final Approval Order on any material change to the Settlement (including, but not limited
3 to, the scope of release to be granted by Class Members), the Parties will expeditiously
4 work together in good faith to address the Court's concerns by revising the Agreement as
5 necessary to obtain Final Approval. The Court's decision to award less than the amounts
6 requested for the Class Representative Service Payment, Class Counsel Fees Payment,
7 Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment
8 shall not constitute a material modification to the Agreement within the meaning of this
9 paragraph.
- 10 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
11 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for
12 purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
13 administration matters, and (iii) addressing such post-Judgment matters as are permitted by
14 law.
- 15 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
16 conditions of this Agreement, specifically including the Class Counsel Fees Payment and
17 Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the
18 Parties, their respective counsel, and all Participating Class Members who did not object to
19 the Settlement as provided in this Agreement, waive all rights to appeal from the
20 Judgment, including all rights to post-judgment and appellate proceedings, the right to file
21 motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The
22 waiver of appeal does not include any waiver of the right to oppose such motions, writs or
23 appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this
24 Agreement will be suspended until such time as the appeal is finally resolved and the
25 Judgment becomes final.
- 26 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
27 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
28 material modification of this Agreement (including, but not limited to, the scope of release

to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain a Final Approval Order and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT.

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

12. ADDITIONAL PROVISIONS.

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

12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and

1 Defense Counsel separately agree that, until the Motion for Preliminary Approval of
2 Settlement is filed, they and each of them will not disclose, disseminate and/or publicize,
3 or cause or permit another person to disclose, disseminate or publicize, any of the terms of
4 the Agreement directly or indirectly, specifically or generally, to any person, corporation,
5 association, government agency, or other entity except: (1) to the Parties' attorneys,
6 accountants, or spouses, all of whom will be instructed to keep this Agreement
7 confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to
8 appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in
9 response to an inquiry or subpoena issued by a state or federal government agency. Each
10 Party agrees to immediately notify each other Party of any judicial or agency order,
11 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and
12 Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or
13 other communication, before the filing of the Motion for Preliminary Approval, with any
14 third party regarding this Agreement or the matters giving rise to this Agreement except to
15 respond only that "the matter was resolved," or words to that effect. This paragraph does
16 not restrict Class Counsel's communications with Class Members in accordance with Class
17 Counsel's ethical obligations owed to Class Members.

18 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and
19 employees will not solicit any Class Member to opt out of or object to the Settlement, or
20 appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class
21 Counsel's ability to communicate with Class Members in accordance with Class Counsel's
22 ethical obligations owed to Class Members.

23 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
24 together with its attached exhibits shall constitute the entire agreement between the Parties
25 relating to the Settlement, superseding any and all oral representations, warranties,
26 covenants, or inducements made to or by any Party.

27 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
28 represent that they are authorized by Plaintiff and Defendant, respectively, to take all

appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

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

12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

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

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

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

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

the Party was the drafter or participated in the drafting.

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

12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code § 1152 or comparable laws, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data in proper form.

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

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

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

to prove the existence and contents of this Agreement.

12.18. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. In addition, upon the signing of this Agreement, the Parties agree pursuant to Code of Civil Procedure § 583.330, to extend the date to bring a case to trial under Code of Civil Procedure § 583.310 for the entire period of this settlement process.

Plaintiff & Class Representative:

PLAINTIFF

Dated: _____

By: _____
Daniel Dauzon

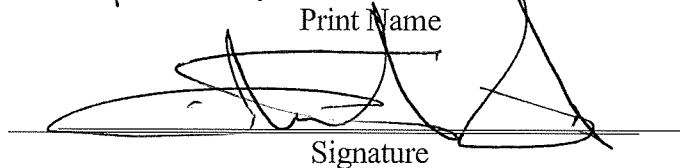
Defendant:

CLARMIL MANUFACTURING CORPORATION

Dated: 4/30/26

By: Romualdo G. Macasaet Jr

Print Name


Signature

Vice - President

Title

Exhibit A

NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

PLEASE READ THIS NOTICE

Your legal rights are affected whether or not you act. Please read this notice carefully.

In the class and representative action entitled *Daniel Dauzon v. Clarmil Manufacturing Corporation*, Superior Court of the State of California, County of Santa Clara, Case No. 23CV424044 (“Action”), Plaintiff Daniel Dauzon (“Plaintiff”) alleges Defendant Clarmil Manufacturing Corporation (“Defendant”) violated several provisions of the California Labor Code and California Business and Professions Code, and owes civil penalties to the Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees (defined below) under the Private Attorneys General Act, California Labor Code sections 2698, et seq. (“PAGA”). Defendant denies any liability or wrongdoing of any kind and contends, among other things, that it complied at all times with the California Labor Code, the California Business and Professions Code, all Industrial Welfare Commission Wage Orders, and all applicable law.

However, in the interest of avoiding further litigation and the costs and uncertainties associated with further litigation, Plaintiff and Defendant have reached a Joint Stipulation of Class and Representative Action Settlement Agreement (“Settlement”), which has been preliminarily approved by the Court. By agreeing to the Settlement, Defendant in no way admits any violation of law and expressly denies any liability to Plaintiff or others.

You are subject to the terms of the Settlement because you have been identified by Defendant’s records as a Class Member and/or Aggrieved Employee.

“Class” consists of all individuals who worked for Defendant in California as hourly, non-exempt employees at any time from October 12, 2019, to February 1, 2024 (“Class Period”).

“Aggrieved Employees” consists of all individuals who worked for Defendant in California as hourly, non-exempt employees at any time from October 12, 2023, through the date the Class Period ends (“PAGA Period”).

YOUR LEGAL RIGHTS AND OPTIONS WITH RESPECT TO THE SETTLEMENT	
Participate in the Settlement	If you want to participate in the Settlement, remain in the Class, and receive your Individual Class Payment and Individual PAGA Payment, <u>then you do not need to do anything.</u>
Exclude Yourself From the Settlement	If you do not want to participate in the Settlement or remain in the Class, <u>then you need to follow the instructions in Section 6.</u> If you exclude yourself from the Settlement, you will not receive your Individual Class Payment, and you will not release the Released Class Claims against the Released Parties (defined in Section 4, below). However, if the Settlement is approved by the Court and you are an Aggrieved Employee, you will receive your Individual PAGA Payment, and you will release the Released PAGA Claims, even if you exclude yourself from the Settlement.
Object to the Settlement	If you want to object to the terms of the Settlement but remain in the Class, <u>then you need to follow the instructions in Section 7.</u> If you object to the Settlement, you will still be bound by the terms of the Settlement if it is approved by the Court.

1. WHY DID I GET THIS NOTICE?

You have received this Notice because Defendant’s records reflect that you are a Class Member and/or Aggrieved Employee (defined above). Because the Settlement, which has been preliminarily approved by the Court, affects Class Members’ and Aggrieved Employees’ legal rights, the Court ordered that this Notice be sent to you. This

Notice provides you with information about (1) the Action, (2) the monetary terms of the Settlement, (3) your estimated Individual Class Payment, provided you do not request to be excluded from the Settlement, (4) your estimated Individual PAGA Payment, (5) the terms of the Settlement, including the claims that are being released, (6) how to participate in, exclude yourself from, or object to the Settlement, and (7) where to find additional information regarding the Action and Settlement.

2. WHAT IS THIS CASE ABOUT?

Plaintiff alleges Defendant: (1) failed to pay Class Members minimum wages for all hours worked; (2) failed to pay Class Members overtime compensation; (3) failed to provide Class Members compliant meal periods or compensation in lieu thereof; (4) failed to provide Class Members compliant rest breaks or compensation in lieu thereof; (5) failed to reimburse Class Members for necessary business expenses they incurred in the direct discharge of their duties to Defendant; (6) failed to timely pay Class Members all compensation due upon termination or resignation; (7) failed to provide Class Members accurate itemized wage statements; (8) engaged in unlawful business practices in violation of California Business and Professions Code sections 17200, *et seq.*; and/or (9) owes civil penalties under PAGA.

Defendant denies these allegations and maintains it fully complied with all applicable laws, provided, permitted, and authorized Class Members to take all meal periods and rest breaks, reimbursed Class Members for all necessary business expenses, provided Class Members with accurate wage statements, compensated Class Members for all wages upon termination or resignation, did not perform any unlawful business acts under California Business and Professions Code sections 17200, *et seq.*, and owes no civil penalties under PAGA. Defendant denies any liability or wrongdoing of any kind and contends, among other things, that it complied at all times with the California Labor Code, the California Business and Professions Code, all Industrial Welfare Commission Wage Orders, and all applicable law.

The Court has not ruled on the merits of the claims alleged by Plaintiff. By preliminarily approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose the Action on the merits. Rather, the Court has determined only that there is sufficient evidence to determine, on a preliminary basis, that the proposed Settlement is fair, adequate, and reasonable. The final determination of this question will be made at the Final Approval Hearing. Defendant reserves the right, if for any reason the Settlement fails, to contest any factual or legal allegations, including to contest whether the Action should proceed as a class and/or representative action.

3. THE MONETARY TERMS OF THE SETTLEMENT AND CALCULATION OF YOUR INDIVIDUAL CLASS PAYMENT AND INDIVIDUAL PAGA PAYMENT

Without admitting any wrongdoing, and to avoid the business disruptions caused by litigating these claims, Defendant has agreed to pay a Gross Settlement Amount of \$300,000.00 to settle the Action. The following amounts will be paid from the Gross Settlement Amount:

- An Administrator Expenses Payment not to exceed \$10,000.00. for reimbursement of the Administrator's reasonable fees and expenses;
- A Class Representative Service Payment not to exceed \$7,500.00 to Class Representative for her services in support of the Action and General Release;
- PAGA Penalties in the amount of \$25,000.00 allocated to the LWDA and Aggrieved Employees for the payment of civil penalties under PAGA;
- A Class Counsel Expenses Payment not to exceed \$25,000.00 to Class Counsel for reimbursement of their reasonable expenses incurred to prosecute the Action; and
- A Class Counsel Fees Payment not to exceed **1/3 of the Gross Settlement Amount** to Class Counsel for reimbursement of their reasonable fees incurred to prosecute the Action.

Net Settlement Amount: The amount remaining from the Gross Settlement Amount after the above deductions is called the “Net Settlement Amount.” The Net Settlement Amount will be allocated to all Participating Class Members and calculated as follows:

1. The Administrator will determine the number of weeks each Participating Class Member worked for Defendant for at least one day during the Class Period (“Workweeks”);
2. The Administrator will determine the value of a single Workweek by dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members; and
3. Each Participating Class Member shall receive an Individual Class Payment equal to his or her Workweeks multiplied by the value of a single Workweek.

You have been credited with [REDACTED] Workweeks. Based on these Workweeks, your Individual Class Payment, prior to any applicable withholdings, is estimated to be \$ [REDACTED]. Depending on rulings from the Court that might affect the Gross Settlement Amount, as well as the number of Class Members who may exclude themselves from the Settlement, the actual amount you will receive if the Court grants Final Approval of the Settlement may vary from this estimated amount.

Individual PAGA Payment: A total of Twenty-Five Thousand Dollars (\$25,000.00) of the Gross Settlement Amount has been allocated to PAGA Penalties. Of this amount, seventy-five percent (75%) (\$18,750.00) shall be paid to the California Labor and Workforce Development Agency (“LWDA PAGA Payment”), and twenty-five percent (25%) (\$6,250.00) (the “Individual PAGA Payment”) shall be paid on a pro rata basis to Aggrieved Employees, calculated as follows:

The Administrator will determine the number of pay periods each Aggrieved Employee worked for Defendant for at least one day during the PAGA Period (“PAGA Pay Periods”);

1. The Administrator will determine the value of a single PAGA Pay Period by dividing the Individual PAGA Payment by the total number of PAGA Pay Periods worked by all Aggrieved Employees; and
2. Each Aggrieved Employee shall receive an Individual PAGA Payment equal to his or her PAGA Pay Periods multiplied by the value of a single PAGA Pay Period.

You have been credited with [REDACTED] PAGA Pay Periods. Based on these PAGA Pay Periods, your Individual PAGA Payment is estimated to be \$ [REDACTED]. Depending on rulings from the Court that might affect the Gross Settlement Amount, the actual amount you will receive if the Court grants Final Approval of the Settlement may vary from this estimated amount.

If you dispute the total number of Workweeks and/or PAGA Pay Periods that you have been credited with, you may challenge the allocation by sending a Challenge to the Calculation of Workweeks and/or Pay Periods to the Administrator (“Challenge”). Your Challenge should (1) contain your name, address, and telephone number and the case name and number of the Action (i.e., *Daniel Dauzon v. Clarmil Manufacturing Corporation*, Superior Court of the State of California, County of Santa Clara, Case No. 23CV424044); (2) clearly state the number of Workweeks and/or PAGA Pay Periods you believe is correct; and (3) attach any documentary evidence you have to prove the number of contended Workweeks and/or PAGA Pay Periods. Your Challenge must be postmarked on or before [Response Deadline] and returned to the Administrator at the following address:

[Administrator]
[contact info]

For tax purposes, fifteen percent (15%) of each Individual Class Payment will be allocated to wages and subject to all applicable employee state and federal tax withholdings; and eighty-five percent (85%) of each Individual Class

Payment will be considered penalties, liquidated damages, interest, and any other non-wage related payments. The amount allocated as wages will be reported on an IRS Form W-2, and the remaining amount allocated as penalties, liquidated damages, interest, and other non-wage payments will be reported on an IRS form 1099. One hundred percent (100%) of each Individual PAGA Payment will be allocated as penalties and reported on an IRS Form 1099. In addition to the Gross Settlement Amount, Defendant will pay all employer-payroll taxes in connection with the portion of the Settlement allocated towards wages. Class Members are responsible for paying taxes on other amounts received. This Notice is not tax advice, and you should consult your tax advisor.

Checks will be valid for one hundred and eighty (180) days. After that, checks will become void, and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within one hundred and eighty (180) days of mailing, or are returned to the Administrator as undeliverable, will be cancelled, and the Administrator shall send the funds associated with uncashed checks to the California Controller's Unclaimed Property Fund in the name of the Class Member. Class Members who do not timely cash their checks should contact the Administrator to determine how they can obtain their payment. **Class Members will be bound by the Settlement even if they do not cash their settlement checks.**

4. WHAT AM I RELEASING AS A CLASS MEMBER UNDER THE SETTLEMENT?

As of the date Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the wage portions of the Individual Class Payments, all Class Members who do not opt out of the Settlement (*i.e.*, Participating Class Members), including Plaintiff, will fully and finally release and discharge the Released Parties from the Released Class Claims.

"Released Parties" means Defendant, and all related companies, subsidiaries, owners, shareholders, board members, officers, members, agents, former and present representatives, attorneys, heirs, administrators, former and present employees, predecessors, successors, and assigns.

Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from any and all class claims that were asserted in First Amended Class and Representative Action Complaint in the Action ("FAC") or that could have arisen out of the allegations made in the FAC, for the duration of the Class Period. (collectively, the "Released Class Claims").

5. WHAT AM I RELEASING AS AN AGGRIEVED EMPLOYEE UNDER THE SETTLEMENT?

As of the date Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the wage portions of the Individual Class Payments, Aggrieved Employees will fully and finally release and discharge the Released Parties from the Released PAGA Claims. Released Parties are defined in Section 4 of this Notice, above.

All Aggrieved Employees and the LWDA will release all claims for civil penalties under PAGA asserted in the FAC and the PAGA Notice or claims for civil penalties under PAGA that arise based on the allegations in the FAC and the PAGA Notice, for the duration of the PAGA Period. (collectively, the "Released PAGA Claims").

AGGRIEVED EMPLOYEES CANNOT OPT-OUT OF THE PAGA SETTLEMENT OR THE RELEASE OF RELEASED PAGA CLAIMS, AND THEY WILL RECEIVE AN INDIVIDUAL PAGA PAYMENT EVEN IF THEY OPT-OUT OF THE CLASS SETTLEMENT.

6. WHAT IF I DO NOT WANT TO PARTICIPATE IN THE CLASS SETTLEMENT?

You have the right to request exclusion from the Settlement as a Class Member, with regard to the settlement of

Released Class Claims, but you are not able to exclude yourself as an Aggrieved Employee. If you wish to exclude yourself from the release of Released Class Claims, you must mail a Request for Exclusion to the Administrator at the address listed in Section 3 of this Notice, above. The Request for Exclusion must be valid and timely.

To be valid, the Request for Exclusion must (1) include your full name, address, telephone number, and signature, and a written statement requesting to be excluded from the Settlement; (2) state the case name and number of the Action (i.e., *Daniel Dauzon v. Clarmil Manufacturing Corporation*, Superior Court of the State of California, County of Santa Clara, Case No. 23CV424044); and (3) be mailed to the specified physical address of the Administrator. To be timely, the Request for Exclusion must be postmarked no later than the [Response Deadline]. The postmark date will be the exclusive means of determining whether a Request for Exclusion has been timely submitted. A Request for Exclusion form is attached to this Notice. You may complete and submit this form to exclude yourself from the Settlement. It is your responsibility to ensure the Administrator timely receives your Request for Exclusion. Unless you timely request to be excluded from the Settlement, you will be bound by the Final Judgment upon Final Approval.

Class Members who request to be excluded from the Settlement will NOT receive their Individual Class Payment and will not release any of the Released Class Claims. However, Class Members who are Aggrieved Employees will receive their Individual PAGA Payment and will release the Released PAGA Claims, regardless of whether they submit a Request for Exclusion.

7. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

You have the right to object to the Settlement or to any settlement term as a Participating Class Member. If you wish to object, you may (1) appear at the Final Approval Hearing and verbally object to the Settlement or any term thereof; and/or (2) send a written Objection to the Administrator at the address listed in Section 3 of this Notice, above. The written Objection must be valid and timely. To be valid, the written Objection must (1) include your full name, address, telephone number, and signature, the contact information for any attorney representing the objecting Class Member, if any, and the factual and legal bases for the Objection, including any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; (2) state the case name and number of the Action (i.e., *Daniel Dauzon v. Clarmil Manufacturing Corporation*, Superior Court of the State of California, County of Santa Clara, Case No. 23CV424044); and (3) be mailed to the specified physical address of the Administrator. To be timely, the written Objection must be postmarked no later than the [Response Deadline]. The postmark date will be the exclusive means of determining whether a written Objection has been timely submitted.

Filing an objection will **not** exclude you from the Settlement. If the Court grants Final Approval of the Settlement, you will still receive an Individual Class Payment, and you will be barred from pursuing the Released Class Claims. **Do not submit both an Objection and a Request for Exclusion. You may file one or neither.** If you file neither, then you will be automatically included in the Settlement and do not need to take any further action to receive a payment.

8. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on _____, at _____ a.m. in the Superior Court of the State of California, County of Santa Clara, Department _____, located at _____. This date and time may be subject to change without notice to you. You may verify the hearing date on the following website: [ADMINISTRATOR WEBSITE]. Participating Class Members may appear in Court (or hire an attorney to appear in Court at their own expense) to offer comments and/or present verbal objections at the Final Approval Hearing.

9. WHO ARE THE ATTORNEYS?

Attorneys for Plaintiff and the Class:

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The Court has permitted, for purposes of settlement, the Attorneys for Plaintiff and the Class to represent the Participating Class Members. Other than the Class Counsel Fees Payment and Class Counsel Expenses Payment approved by the Court and to be paid out of the Gross Settlement Amount, you will not be charged for their services.

10. SHOULD I GET MY OWN LAWYER?

You do not need to get your own lawyer. If you want your own lawyer to speak for you or appear in Court, you have the right to hire one, but you will have to pay for that lawyer yourself.

11. FURTHER INFORMATION

The foregoing is only a summary of the Settlement. For the precise terms and conditions of the Settlement and other important case documents, please see the Settlement available at www._____.com, or contact Class Counsel at the address or telephone number provided in Section 9, above.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.

REQUEST FOR EXCLUSION FORM

I, _____, wish to be excluded from the Settlement of Class claims in *Daniel Dauzon v. Clarmil Manufacturing Corporation*, Superior Court of the State of California, County of Santa Clara, Case No. 23CV424044.

Full Name (Printed)

Address

City

State and Zip Code

Telephone Number

Signature

[Note: (1) This Request for Exclusion Form *does not* exclude you from the Settlement of PAGA claims, and (2) this Request for Exclusion Form *must* be mailed to the following physical address of the Administrator on or before [Response Deadline]]:

[Administrator]
[contact info]