

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Dulce Garcia-Ortiz (“Plaintiff”) and defendant JANCO FS 3, LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1. “Action” means the class and representative action lawsuit filed by Plaintiff alleging wage and hour violations against Defendant captioned *Dulce Garcia-Ortiz, et al. v. JANCO FS 3, LLC, et al.* initiated on December 7, 2023 and pending in the United States District Court, Northern District of California, Case No. 3:24-cv-00239-TLT.
- 1.2. “Administrator” means Apex Class Action Administration (“Apex”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all current and former non-exempt employees of Defendant who worked in California at any time during the PAGA Period, excluding those individuals whose employment is subject to a collective bargaining agreement and/or who agreed to arbitrate employment-related disputes against Defendant.
- 1.5. “Class” means all current and former non-exempt employees of Defendant who worked in California at any time during the Class Period, excluding those individuals whose employment is subject to a collective bargaining agreement and/or who agreed to arbitrate employment-related disputes against Defendant.
- 1.6. “Class Counsel” means Otkupman Law Firm, A Law Corporation.
- 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 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. The proposed Class Notice is attached as **Exhibit 1**.
- 1.12. “Class Period” means the period from July 1, 2022, through the date of Preliminary Approval of the Settlement.
- 1.13. “Class Representative” means Plaintiff Dulce Garcia-Ortiz.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the United States District Court, Northern District of California.
- 1.16. “Defendant” means named Defendant JanCo FS 3, LLC, doing business as Velociti Services.
- 1.17. “Defense Counsel” means Morgan, Lewis & Bockius LLP.
- 1.18. “Effective Date” shall mean the date by which this Agreement is approved by the Court and that approval becomes final. The approval becomes final when the later of the following events occurs: (a) the period for filing any appeal, writ, or other appellate proceeding opposing the settlement approval has elapsed without any appeal, writ, or other appellate proceeding having been filed; (b) any appeal, writ, or other appellate proceeding opposing the settlement approval has been dismissed finally and conclusively with no right by any appellant or objector to pursue further remedies or relief; or (c) any appeal, writ, or other appellate proceeding has upheld the settlement approval with no right by any appellant or objector to pursue further remedies or relief. In this regard, it is the intention of the Parties that the settlement shall not become effective until the Court’s approval of the settlement is completely final, and no further recourse exists by an appellant or objector who seeks to contest the settlement. The occurrence of the Effective Date is a prerequisite to any obligation of Defendant to pay the Gross Settlement Amount. If the settlement is approved and no appeal is taken from the approval in the 60 days thereafter, the settlement shall become final notwithstanding anything to the contrary herein.

- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement in the Action.
- 1.20. “Final Approval Hearing(s)” means the Court’s hearing(s) on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment(s)” means the Judgment(s) Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means the maximum settlement amount Defendant shall pay in any event in exchange for the settlement and release of claims alleged in the Action, which is One-Hundred Ninety Thousand Dollars and No Cents (\$190,000.00). The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, the Administration Expenses Payment, and the employer payroll taxes owed on the Wage Portions of the Individual Class Payments.
- 1.23. “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.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of pay periods worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and the employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from October 2, 2022 through the date of Preliminary Approval of the Settlement.
- 1.32. “PAGA” means the California Labor Code’s Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notice” means Plaintiff’s October 2, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$3,750.00) and 75% to the LWDA (\$11,250.00) in settlement of PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiff” means Dulce Garcia-Ortiz, the named plaintiff in the Action.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement in the Action.
- 1.38. “Preliminary Approval Order” means the order granting preliminary approval and approval of the PAGA settlement entered by the Court in the Action.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41. “Released Parties” means: Defendant, and its parents, predecessors, successors, subsidiaries, affiliates, partners, and trusts, employment agencies and professional employer organizations, and their owners, employees, officers, agents, attorneys, insurers, stockholders, fiduciaries, other services providers, and assigns.
- 1.42. “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.
- 1.43. “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

- 1.44. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. “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 December 7, 2023 Plaintiff filed a class action Complaint in California Superior Court of San Francisco, case no. CGC-23-610930, (“the Complaint”) alleging causes of action against Defendant for (1) failure to provide meal periods in violation of Labor Code sections 226.7, 512, and 558; (2) failure to provide rest periods in violation of Labor Code sections 226.7, 512, and 558; (3) failure to pay all wages in violation of Labor Code sections 510, 1194, and 1194.2; (4) knowing and intentional failure to comply with itemized employee wage statement provisions in violation of Labor Code section 226(a), (e), 1174(d); (5) failure to timely pay wages due at termination in violation of Labor Code sections 201 – 203; (6) failure to timely pay employees in violation of Labor Code section 204(a), (b); (7) failure to reimburse for business expenses in violation of Labor Code section 2802; (8) failure to pay for all hours worked, including overtime hours worked in violation of Labor Code sections 210, 218, 222; and (9) failure to provide place of employment that is safe and healthful in violation of Labor Code sections 6400, 6401, 6403, 6404, 6407, and CCR 3203; (10) violation of Business and Professions Code section 17200; and, (11) penalties pursuant to Labor Code Section 2699(f) (the Private Attorneys General Act or “PAGA”) (the “Complaint”). Defendant denies the allegations in the Complaint, denies any failure to comply with the laws identified in the Complaint, and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On November 5, 2024, the Parties participated in a settlement conference presided over by the Honorable Sallie Kim, which ultimately led to this Agreement to settle the Action. While the case did not resolve at the settlement conference, the parties kept on working settlement in this case, which was resolved via a mediator’s proposal.
- 2.4. Prior to mediation, Plaintiff obtained, through both formal and informal discovery, statistical data, including records of Defendant’s employees, which consisted of wage statements, clock-in and clock-out times, times taken for meal breaks, wages earned during the relevant pay periods, written policies and procedures on meal breaks, rest breaks, and overtime compensation, the number of workweeks and pay periods in the class and PAGA period, the total number of class members and aggrieved employees, and the average rate of pay for class members each year in question. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996)

48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

- 2.5. The Court has not granted class certification. The Parties engaged in a settlement conference prior to class certification, and by way of a Motion for Preliminary Approval, Plaintiff will request provisional certification of the Class for settlement purposes only. If, for any reason, the Court does not approve this Settlement, fails to enter the Judgment, or if this Settlement is terminated for any other reason, no class will have been certified and Defendant shall retain the right to dispute the appropriateness of class certification. This Stipulation shall not be construed as an admission that Plaintiff could meet any of the class action requirements contained in Rule 23 of the Federal Rules of Civil Procedure.
- 2.6. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. **MONETARY TERMS.**

- 3.1. Gross Settlement Amount. Defendant promises to pay One Hundred Ninety Thousand and Zero Dollars (\$190,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 5.1 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.
- 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). 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 35 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 amount of the Class Representative Service Payment is not a material term of this Agreement and if the Court approves a Class Representative Service Payment less than the amount requested, it shall not result in the Agreement being void. The

Administrator will pay the Class Representative Service Payment using IRS Form 1099.

- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 and 1/3%, which is currently estimated to be \$63,327.00 and a Class Counsel Litigation Expenses Payment of actual costs incurred. 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 35 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. The amount of the Class Counsel Fees Payment and/or the Class Counsel Litigation Expenses Payment is not a material term of this Agreement and if the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amount requested, it shall not result in the Agreement being void. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms.
- 3.2.3. To the Administrator: An Administration Expenses Payment not to exceed actual costs, subject to a capped fee quote agreed to by the Parties, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than actual costs, the Administrator will retain the remainder in the Net Settlement Amount. Under no circumstances will Defendant be required to contribute additional funds, above and in addition to the Gross Settlement Amount, to cover any additional Administration Expenses.
- 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. 33.33% 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. 66.67% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties and other non-wages (the "Non-Wage Portion"). The Non-Wage Portions are

not subject to wage withholdings and will be reported on IRS 1099 Forms, to the extent required by applicable law. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$15,000.00 to be paid from the Gross Settlement Amount, with 75% (\$11,250.00) allocated to the LWDA PAGA Payment and 25% (\$3,750.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$3,750.00) 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 amount of the PAGA Penalties awarded by the Court is not a material term of this Agreement and if the Court approves an amount for PAGA Penalties less than the amount requested, or requests that the Parties allocate a greater amount of the Gross Settlement Amount toward the PAGA Penalties, it shall not result in the Agreement being void. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms, to the extent required by applicable law.

3.2.5.3. Within ten (10) calendar days of the Final Approval Date, Class Counsel shall submit a copy of the Final Approval Order and Judgment entered by the Court to the LWDA, as required by California Labor Code § 2699(l)(3).

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records as of December 2024, Defendant estimates there are approximately 85

Class Members who collectively worked a total of approximately 2,960 Workweeks during the Class Period and approximately 81 Aggrieved Employees who collectively worked a total of 1,270 Pay Periods during the PAGA Period.

- 4.2. Class Data. Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement in the Action, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. The Settlement Administrator shall take appropriate steps to ensure the secure handling of Class Members' data, which includes implementing feasible technical, administrative, and physical controls; appropriate retention and destruction of data; and audits and crisis response as needed. Plaintiff will address the settlement administrator's procedures for securely handling this data in his motion for preliminary approval of the Settlement.
- 4.3. Funding of Gross Settlement Amount. Defendant shall deposit the Gross Settlement Amount with the Settlement Administrator no later than twenty-one (21) calendar days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 90 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who

qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member or Aggrieved Employee whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, any residual funds from the uncashed settlement checks shall revert to Defendant.
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Upon the Effective Date and full funding by Defendant of the Gross Settlement Amount, Plaintiff, Participating Class Members, and Aggrieved Employees will release claims against all Released Parties as follows:

- 5.1. Plaintiff's Release. With the exception of Plaintiff's current FEHA action, which is specifically carved out of this settlement, Plaintiff will release Released Parties from all claims, actions, or causes of action he has or may have against them, including but not limited to all of the claims that were pled or could have been pled in this action ("Plaintiff's Release). The parties acknowledge that Plaintiff has a pending wrongful termination case, case no.: 24-cv-03486-KAW. Nothing in this settlement agreement shall affect any rights or remedies that Plaintiff has in that case notwithstanding anything to the contrary herein. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's

Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 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 themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from any and all claims, obligations, demands, rights, causes of action, and liabilities that have been asserted or that reasonably could have been asserted in the Operative Complaint based on the facts and/or allegations pled therein, arising during the Class Period. Released Class Claims include, but are not limited to, claims for the failure to provide compliant meal periods and associated premium pay, failure to provide compliant rest periods and associated premium pay, failure to pay wages, including minimum wages, straight time wages, overtime wages, wages for premium pay, failure to provide accurate, itemized wage statements, failure to timely pay wages during employment, failure to timely pay wages upon termination of employment, failure to maintain requisite payroll records, failure to reimburse for necessary business-related expenses, unfair or unlawful business practices pursuant to California Business and Professions Code §§ 17200, *et seq.* and 17203, any violation of the California Labor Code, including, but not limited to, California Labor Code sections 201, 202, 203, 204, 210, 218, 226, 226.7, 510, 512, 558, 1174, 1194, 1194.2, 2802, 6400, 6401, 6403, 6404, and 6407, any violation of the Industrial Welfare Commission Wage Orders, and any violations of local, city, and/or county laws.
- 5.3. Release by Aggrieved Employees: All Aggrieved Employees 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 claims for civil penalties under PAGA that have been asserted or that reasonably could have been asserted in the Operative Complaint and/or the LWDA Notice based on the facts and/or allegations pled therein, arising during the PAGA Period. Released PAGA Claims include, but are not limited to, claims for the failure to provide compliant meal periods and associated premium pay, failure to provide compliant rest periods and associated premium pay, failure to pay wages, including minimum wages, straight time wages, overtime wages, and premium pay, failure to provide compliant wage statements, failure to timely pay wages during employment, failure to timely pay wages upon termination of

employment, failure to maintain requisite payroll records, failure to reimburse for necessary business-related expenses, any violation of the California Labor Code based on the aforementioned, including, but not limited to, California Labor Code sections 201, 202, 203, 204, 210, 218, 226, 226.7, 510, 512, 558, 1174, 1194, 1194.2, 2802, 6400, 6401, 6403, 6404, and 6407, and any violation of the Industrial Welfare Commission Wage Orders.

6. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff agrees to prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) no later than 45 days after the full execution of this Agreement. Plaintiff shall provide a draft of the Motion for Preliminary Approval paperwork to Defendant at least five (5) court days prior to filing the paperwork with the Court. Either before or at the same time that Plaintiff files her Motion for Preliminary Approval, the Parties will file a stipulation with the Court requesting leave for Plaintiff to file a proposed First Amended Complaint that will conform the class definition to the Settlement Class definition in this Agreement. The First Amended Complaint is referred to as the “Operative Complaint.”

7. **SETTLEMENT ADMINISTRATION.**

- 7.1. Selection of Administrator. The Parties have jointly selected Apex Class Action Administration (“Apex”) to serve as the Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2. Notice to Class Members.

- 7.2.1. No later than 3 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 7.2.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice, with Spanish translation. The Class Notice will provide an estimate of the dollar amount of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. A copy of the proposed Class Notice is attached as **Exhibit 1** to this Agreement.

- 7.2.3. Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
 - 7.2.4. The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
 - 7.2.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.
- 7.3. Requests for Exclusion (Opt-Outs).
- 7.3.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
 - 7.3.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or

otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.3.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases, regardless whether the Participating Class Member actually receives the Class Notice, actually receives their Individual Class Payment, or objects to the Settlement.

7.3.4. 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 Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims in this Agreement and are eligible for an Individual PAGA Payment.

7.4. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 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 encourage 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 Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.5. Objections to Settlement.

7.5.1. Only Participating Class Members may object to 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.

- 7.5.2. 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 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).
- 7.5.3. Non-Participating Class Members have no right to object to the Settlement.
- 7.6. 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.
- 7.6.1. 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, 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 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.
- 7.6.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.6.3. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.6.4. Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense

Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

8. **CLASS SIZE ESTIMATES, ESCALATOR CLAUSE, and TOLERANCE OF OPT-OUTS.**

8.1. Based on its records, Defendant estimates that, as of December 2024, there are approximately 2,960 Workweeks during the Class Period. If the actual number of Workweeks increases by more than 15%, exceeding 3,404, Defendant may elect to end the Class Period on the date on which the number of Workweeks reached 3,404, or increase the Gross Settlement Amount in proportion to the increased percentage.

8.2. Notwithstanding any other provision of this Agreement, Defendant retains the right, in the exercise of its sole discretion, to nullify the settlement within fourteen (14) calendar days after expiration of the opt-out period if ten percent (10%) or more of the Settlement Class opts out of this Settlement. If Defendant nullifies the settlement, it will pay administration costs owed.

9. **MOTION FOR FINAL APPROVAL.** Not later than 35 days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement.

9.1. 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 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

- 9.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval, but in no event will Defendant be required to pay more than the Gross Settlement Amount. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
 - 9.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
 - 9.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
10. **NOTICE OF SETTLEMENT TO LWDA.** Plaintiff and Class Counsel shall provide notice to the LWDA of the proposed settlement as required by California Labor Code section 2699, subdivision (1)(2), as well as any other information required by law to be provided to the LWDA to effectuate the terms of this Agreement.
11. **ADDITIONAL PROVISIONS.**
 - 11.1. 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 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. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason

the Court does grant Preliminary Approval, Final Approval 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).

- 11.2. Confidentiality Prior to Preliminary Approval. Plaintiff and Class Counsel, separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to the extent necessary to report income to appropriate taxing authorities; (3) in response to a court order or subpoena; or (4) in response to an inquiry or subpoena issued by a state or federal government agency. Plaintiff and Class Counsel agree to immediately notify Defendant and Defendant's Counsel of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff and Class Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 11.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 11.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 11.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 11.6. 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.
- 11.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 11.8. 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.
- 11.9. 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.
- 11.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.11. 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.
- 11.12. 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.
- 11.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 11.14. Use of Class Data. Information provided to Class Counsel in connection with this Action, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the settlement conference, 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.

- 11.15. 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.
- 11.16. 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.
- 11.17. 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.
- 11.18. 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.

Dulce

Plaintiff DULCE GARCIA-ORTIZ

Dated: 02 / 18 / 2025

Defendant JANCO FS 3, LLC

By: _____

Dated: _____

APPROVED AS TO FORM

OTKUPMAN LAW FIRM, A LAW CORPORATION


Roman Otkupman
Nidah Farishta
Counsel for Plaintiff

Dated: 02 / 18 / 2025

MORGAN, LEWIS & BOCKIUS LLP

Andrew P. Frederick
Counsel for Defendant JANCO FS 3, LLC

Dated: _____

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- 11.18. 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.

Plaintiff DULCE GARCIA-ORTIZ

Dated: _____

DocuSigned by:



Defendant JANCO FS 3, LLC

By: Bryan Stillwagon

Dated: 2/19/2025 | 11:18 AM PST

APPROVED AS TO FORM

OTKUPMAN LAW FIRM, A LAW
CORPORATION

Roman Otkupman
Nidah Farishta
Counsel for Plaintiff

Dated: _____

MORGAN, LEWIS & BOCKIUS LLP


Andrew P. Frederick
Counsel for Defendant JANCO FS 3, LLC

Dated: 2/20/2025

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Garcia-Ortiz v. JanCo FS 3, LLC, et al.

Case No. 3:24-cv-00239-TLT

TO: All current and former non-exempt employees of JanCo FS 3, LLC (DBA Velociti Services) (“Defendant,” “JanCo FS 3,” or “Velociti”) who worked in California at any time from July 1, 2022 through [date of preliminary approval] (“Class Period”), excluding those individuals whose employment is subject to a collective bargaining agreement and/or who agreed to arbitrate employment-related disputes against Defendant.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit in *Garcia-Ortiz v. JanCo FS 3, LLC, et al.*, U.S. District Court, N.D. Cal., Case No. 3:24-cv-00239-TLT (the “Action”). The purpose of this Notice of Settlement (“Notice”) is to describe the case and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

A hearing concerning the fairness of the Settlement will be held before the Hon. Trina L. Thompson on [redacted], 2025 at 2:00 p.m. at the following address: San Francisco Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102, Courtroom 9, 19th Floor, to determine, among other things, whether the Court should grant final approval to the proposed Settlement. The date and time of the Final Fairness Hearing may change without further notice to the Class. Updated information regarding the date and time of the hearing will be posted on the case website at [URL].

AS A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE A PAYMENT UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE, UNLESS YOU REQUEST TO BE EXCLUDED FROM THE SETTLEMENT, AS EXPLAINED BELOW.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes, the following class (the “Class”):

“All current and former non-exempt employees of Velociti who worked in California at any time during the Class Period, excluding those individuals whose employment is subject to a collective bargaining agreement and/or who agreed to arbitrate employment-related disputes against Defendant.”

According to the records of Defendant, you are a member of the Class (“Class Member”).

What is this case about?

Plaintiff has brought this Action on behalf of herself, other allegedly aggrieved employees and as proxy for the State of California, and the following individuals: all current and former non-exempt employees of Velociti who worked in California at any time during the Class Period, excluding those individuals whose employment is subject to a collective bargaining agreement and/or who agreed to arbitrate employment-related disputes against Defendant. The Action alleges various wage and hour claims against Defendant, including claims for failure to provide meal/rest periods, failure to pay wages, failure to reimburse business expenses, failure to provide accurate written wage statements, failure to timely pay all final wages, unfair business practices under California Bus. & Prof. Code §§ 17200-17208, and civil penalties under Labor Code §§ 2699 *et seq.* The Action asserts claims for unpaid wages, statutory penalties, civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”), restitution, interest, attorneys’ fees, and costs.

Velociti believes that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Velociti agreed to settle this lawsuit to avoid these issues and because Velociti believes it is in the best interests of the Company to put the matter behind it. The settlement

means Velociti does not have to keep spending time and legal fees on defending the lawsuit and can continue to focus on its business objectives.

This Settlement is the result of good faith, arm's length negotiations between Plaintiff and Defendant, through their respective attorneys. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Class Members. The Settlement is a compromise and is not an admission of liability on the part of Defendant.

Who are the attorneys representing the Parties?

The attorneys for the Class Representative in the Action ("Class Counsel") are:

OTKUPMAN LAW FIRM,
A LAW CORPORATION
Roman Otkupman, Bar No. 249423
roman@olfla.com
Nidah Farishta, Bar No. 312360
nidah@olfla.com
5743 Corsa Ave., Suite 123
Westlake Village, CA 91362
Tel: +1.818.293.5623
Fax: +1.888.850.1310

The attorneys for Defendant are:

MORGAN, LEWIS & BOCKIUS LLP
Andrew P. Frederick, SBN 284832
andrew.frederick@morganlewis.com
1400 Page Mill Road
Palo Alto, CA 94304
Tel: +1.650.843.4000
Fax: +1.650.843.4001

MORGAN, LEWIS & BOCKIUS LLP
Joseph R. Lewis, SBN 316770
joseph.lewis@morganlewis.com
One Market Street, Spear Tower
San Francisco, CA 94105
Tel: +1.415.442.1000
Fax: +1.415.442.1001

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$190,000.00 (the "Gross Settlement Amount") for: (a) settlement payments to Class Members; (b) the Court-approved service payment to the Class Representative; (c) the Court-approved Class Counsel's fees and costs; (d) the costs of administering the Settlement; (e) the payments to the California Labor Workforce Development Agency ("LWDA") and Aggrieved Employees to settle claims alleged under PAGA (the "PAGA Allocation"); and (f) Defendant's share of payroll taxes on settlement payments to Class Members.

Class Members' Settlement Payments. After deductions from the Gross Settlement Amount for the service payment to the Class Representative, attorneys' fees and costs, the costs of administering the Settlement, the payment for the PAGA Allocation, and Defendant's share of payroll taxes on settlement payments to Class Members, there will be a Net Settlement Amount. From this Net Settlement Amount, Defendant will make a payment ("Individual Class Payments") to each Class Member who does not opt out of the Settlement Class as follows: Class Member distributions shall be divided among all Class Members on a pro rata basis, based on the ratio of the number of weeks worked by each Class Member from July 1, 2022, through [preliminary approval date] to the total number of weeks worked by all Class Members during this same time period. Any payments which are not cashed shall revert to Defendant.

For tax reporting purposes, Settlement Payments to Class Members will be allocated as one-third (1/3) as wages and two-thirds (2/3) as interest and penalties. None of the Parties or attorneys makes any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult

with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

If this Notice mailed to a Class Member is returned as undeliverable, and if the Settlement Administrator cannot locate a valid address for the Class Member with reasonable efforts, that Class Member will not be mailed a check, and the money that would have gone to that Class Member shall revert to Defendant.

PAGA Allocation to Aggrieved Employees and LWDA. Aggrieved Employees means all current and former non-exempt employees of Defendant who worked in California at any time from October 2, 2022 through [the preliminary approval date], excluding those individuals whose employment is subject to a collective bargaining agreement and/or who agreed to arbitrate employment-related disputes against Defendant. A total amount of \$15,000.00 from the Gross Settlement Amount will be allocated as the PAGA Allocation to be paid as penalties under PAGA, of which seventy-five percent (75%), or \$11,250.00, will be distributed to the LWDA and the remaining twenty-five (25%), or \$3,750.00, will be distributed to the Aggrieved Employees. The payment for the PAGA Allocation to each Aggrieved Employee will be made as follows: Aggrieved Employee distributions shall be divided among all Aggrieved Employees on a pro rata basis, based on the ratio of the number of pay periods between October 2, 2022 through [preliminary approval date] in which an Aggrieved Employee worked for Defendant as a non-exempt employee in California to the total number of pay periods for all Aggrieved Employees during this same time period.

For tax reporting purposes, Settlement Payments to Aggrieved Employees will be allocated as one hundred percent (100%) penalties. None of the Parties or attorneys makes any representations concerning the tax consequences of this Settlement or your participation in it. Aggrieved Employees should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Aggrieved Employee.

Class Counsel Attorneys' Fees and Costs, Class Representative Service Payment, and Administrative Costs. Class Counsel will ask the Court to award attorneys' fees up to 33-1/3% of the Gross Settlement Amount, and reasonable litigation costs. In addition, Class Counsel will ask the Court to authorize a service payment of up to \$7,500 for Class Representative Garcia-Ortiz in addition to Class Representative Garcia-Ortiz's portion of the Net Settlement Amount. The Parties estimate the cost of administering the Settlement will not be higher than \$ [redacted].

What is my estimated Settlement Payment?

The settlement covers all workweeks from July 1, 2022 through [preliminary approval date] in which a Class Member worked for Velociti as a non-exempt employee in California. According to Velociti's records, you worked as a non-exempt employee in California for approximately [redacted] workweeks during the Class Period. Accordingly, the approximate amount of your Individual Class Payment is: \$ [redacted]. This is an estimated amount, and the final amount may change—i.e., the final amount could be higher or lower.

The PAGA portion of the settlement covers all pay periods from October 2, 2022 through [preliminary approval date] in which an Aggrieved Employee worked for Velociti as a non-exempt employee in California. According to Velociti's records, you worked as a non-exempt employee in California for approximately [redacted] pay periods during the PAGA Period. If you are an Aggrieved Employee, your estimated recovery for the Individual PAGA Payment of the settlement is: \$ [redacted]. This is an estimated amount, and the final amount may change—i.e., the final amount could be higher or lower.

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What claims are being released by the proposed Settlement?**Release by Class Members**

Upon the Effective Date of the Settlement, Plaintiff and each member of the Settlement Class shall be deemed to have fully, finally, and forever released the Releasees from all Released Class Claims arising from July 1, 2022 through [Preliminary Approval Date]. “Settlement Class” shall mean all Class Members who do not timely submit a timely and valid Request for Exclusion that is received by the Settlement Administrator. “Released Parties” shall mean Defendant, and its parents, predecessors, successors, subsidiaries, affiliates, partners, and trusts, employment agencies and professional employer organizations, and their owners, employees, officers, agents, attorneys, insurers, stockholders, fiduciaries, other services providers, and assigns. “Released Class Claims” means any and all claims, obligations, demands, rights, causes of action, and liabilities that have been asserted or that reasonably could have been asserted in the Operative Complaint based on the facts and/or allegations pled therein, arising from July 1, 2022 through [Preliminary Approval Date]. “Released Class Claims” include, but are not limited to, claims for the failure to provide compliant meal periods and associated premium pay, failure to provide compliant rest periods and associated premium pay, failure to pay wages, including minimum wages, straight time wages, overtime wages, wages for premium pay, failure to provide accurate, itemized wage statements, failure to timely pay wages during employment, failure to timely pay wages upon termination of employment, failure to maintain requisite payroll records, failure to reimburse for necessary business-related expenses, unfair or unlawful business practices pursuant to California Business and Professions Code §§ 17200, *et seq.* and 17203, any violation of the California Labor Code, including, but not limited to, California Labor Code sections 201, 202, 203, 204, 210, 218, 226, 226.7, 510, 512, 558, 1174, 1194, 1194.2, 2802, 6400, 6401, 6403, 6404, and 6407, any violation of the Industrial Welfare Commission Wage Orders, and any violations of local, city, and/or county laws.

Release by Aggrieved Employees

Upon the Effective Date of the Settlement, all Aggrieved Employees and the State of California on behalf of all Aggrieved Employees shall be deemed to have fully, finally, and forever released the Releasees from the Released PAGA Claims arising from October 2, 2022 through [preliminary approval date]. All Aggrieved Employees shall be bound by the release as to any Released PAGA Claims even if they have opted out of the Settlement Class. “Released Parties” shall mean Defendant, and its parents, predecessors, successors, subsidiaries, affiliates, partners, and trusts, employment agencies and professional employer organizations, and their owners, employees, officers, agents, attorneys, insurers, stockholders, fiduciaries, other services providers, and assigns. “Released PAGA Claims” means any and all claims for civil penalties under PAGA that have been asserted or that reasonably could have been asserted in the Operative Complaint and/or the LWDA Notice based on the facts and/or allegations pled therein, arising from October 2, 2022 through [preliminary approval date]. Released PAGA Claims include, but are not limited to, claims for the failure to provide compliant meal periods and associated premium pay, failure to provide compliant rest periods and associated premium pay, failure to pay wages, including minimum wages, straight time wages, overtime wages, and premium pay, failure to provide compliant wage statements, failure to timely pay wages during employment, failure to timely pay wages upon termination of employment, failure to maintain requisite payroll records, failure to reimburse for necessary business-related expenses, any violation of the California Labor Code based on the aforementioned, including, but not limited to, California Labor Code sections 201, 202, 203, 204, 210, 218, 226, 226.7, 510, 512, 558, 1174, 1194, 1194.2, 2802, 6400, 6401, 6403, 6404, and 6407, and any violation of the Industrial Welfare Commission Wage Orders.

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What are my options in this matter?

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	If you do nothing, you will automatically receive your share of the settlement if the Settlement receives final approval by the Court, and will be bound by the terms of the Settlement and releases described in this Notice.
EXCLUDE YOURSELF	If you do not wish to receive money from the Settlement as a Class Member and wish to retain your rights to pursue the non-PAGA claims at issue in this lawsuit, you may submit a written Request for Exclusion to the Settlement Administrator, postmarked no later than [DATE]. The written Request for Exclusion must include: (a) the Class Member's name; (b) a statement that the Class Member desires to exclude himself or herself from the case; and (c) the last four digits of the Class Member's social security number. If you submit a timely and valid Request for Exclusion, you will no longer be a Class Member, and you will not be eligible to receive any of the Class Member benefits under the Settlement or object to the terms of the Settlement. You will not be bound by any of the non-PAGA terms of the Settlement, and you will not release any of your non-PAGA legal claims against Velociti. NOTE: If you are an Aggrieved Employee, as defined above, you cannot opt out of the PAGA portion of the Settlement, even if you opt out of the Settlement as a Class Member. If the Settlement is approved, you will receive a check for your allocation of the PAGA portion of the Settlement, and you will be bound by the PAGA portion of the release whether you cash the check or not. Requests for Exclusion that do not include all required information or that are not timely submitted are ineffective. If you do not submit a valid and timely Request for Exclusion on or before [DATE], and if the Court grants final approval of the settlement, you will be bound by the Settlement and its releases of the Released Class Claims and you will be considered a Class Member for settlement distribution purposes.

OBJECT	You can ask the Court to deny approval by filing an objection. This option is available only if you do <u>not</u> exclude yourself from the Settlement as a Class Member. All Aggrieved Employees will be bound by the Released PAGA Claims and may not object to the Settlement as to the Released PAGA Claims. You can't ask the Court to order a different settlement; the Court can only approve or reject the Settlement. If the Court denies approval, no settlement payments will be sent out, and the lawsuit will continue. Any objection to the proposed Settlement must be in writing and sent only to the Court. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (<i>Garcia-Ortiz v. JanCo FS 3, LLC, et al.</i>, Case No. 3:24-cv-00239), (b) be submitted to the Court either by filing them electronically or in person at any location of the United States District Court for the Northern District of California or by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, and (c) be filed or postmarked on or before DATE. Failure to send timely written objections in this manner will not foreclose a Class Member's right to have their objection heard at the Final Approval Hearing. If you do not object in the manner described above, you shall be deemed to have waived any objections to the proposed Settlement, including its fairness or adequacy, the payment of attorneys' fees or litigation costs to Class Counsel, the Class Representative Service Payment to Plaintiff, and any and all other aspects of the Settlement.
PARTICIPATE IN THE FINAL APPROVAL HEARING	The Court's Final Approval Hearing is scheduled to take place on DATE. You don't have to attend but you do have the right to appear in person (or hire an attorney to appear on your behalf at your own cost). Participating Class Members can verbally object to the Settlement at the Final Approval Hearing.
CHALLENGE THE CALCULATION OF YOUR WORKWEEKS/PAY PERIODS	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked during the Class Period and how many pay periods you worked during the PAGA Period, respectively. You have the right to challenge your workweeks and pay periods as stated on the third page of this Notice. If you disagree with either of these numbers, you must challenge it by DATE.

Settlement payments only will be issued if the Court grants final approval of the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the PAGA Allocation, the settlement administration costs, and the service payment to the Class Representative on **DATE**, at **LOCATION** in Courtroom 9, 19th Floor of the United States District Court, Northern District of California, located at the 450 Golden Gate Avenue, San Francisco, CA 94102. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive a share of the Settlement.

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How can I get additional information?

This Notice summarizes the proposed settlement. For the precise terms of the settlement, please see the settlement agreement available at www. .com, by the Settlement Administrator toll-free at [NUMBER], contacting class counsel at the address listed above, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

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

What should I do if my address changes?

If you received this Notice at an address other than the address shown on the Notice, or if your address changes, please promptly contact the Settlement Administrator toll-free at [NUMBER]. This will ensure that you receive further notices about this settlement, and that you receive your Settlement Payment if the settlement is approved by the Court.

**PLEASE DO NOT CALL OR WRITE THE COURT OR THE ATTORNEYS FOR THE DEFENDANT
ABOUT THIS NOTICE**

BY ORDER OF THE U.S. DISTRICT COURT