

Eric K. Yaeckel [CSB No. 274608]
yaeckel@sullivanlawgroupapc.com

Cody D. Archer [CSB No. 361361]
cody@sullivanlawgroupapc.com

SULLIVAN & YAECKEL LAW GROUP, APC
2330 Third Avenue
San Diego, California 92101
(619) 702-6760 * (619) 702-6761 FAX

Attorneys for Plaintiff LUIS VEGA in a Representative capacity, and on behalf of other members of the general public similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

LUIS VEGA, in a Representative capacity,
and on behalf of other members of the
general public similarly situated

Plaintiff

v.

MASTERSTOUCH BRAND L.L.C., a
Arizona Limited Liability Company; and
DOES 1-10, inclusive

Defendants

CASE NO. 37-2024-00006540-CU-OE-CTL

**DECLARATION OF CODY D. ARCHER
IN SUPPORT OF PLAINTIFF'S
UNOPPOSED MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: March 12, 2027

Time: 9:30 a.m.

Dept.: C-72

Judge: Hon. Marcella McLaughlin

1 I, Cody D. Archer, hereby declare as follows:

2 1. I am an attorney licensed to practice law before this Court and am employed with the law firm
3 of Sullivan & Yaeckel Law Group, APC, attorneys of record for Plaintiff LUIS VEGA, in a
4 Representative capacity, and on behalf of other members of the general public similarly
5 situated, in the above-captioned matter. I make this declaration in support of Plaintiffs'
6 Unopposed Motion for Preliminary Approval of Class Action Settlement.

7 2. I have personal knowledge of the facts set forth in this declaration and if called to testify as a
8 witness, I could and would do so.

9 **Background and Investigation**

10 3. On February 9, 2024, Plaintiff filed the Complaint in this matter. The Complaint alleged
11 violations of the California Labor code involving, *inter alia*, (1) failure to pay minimum wages;
12 (2) failure to pay proper overtime compensation; (3) failure to provide meal breaks; (4) failure
13 to provide rest breaks; (5) failure to reimburse employees for necessary business expenses; (6)
14 failure to provide accurate itemized wage statements; and (7) failure to pay all wages to upon
15 separation.

16 4. On March 6, 2024, Plaintiff propounded discovery requests on Master. Through these requests,
17 Plaintiff sought, among other information and documents, the identities of putative class
18 members, compensation policies, Meal and Rest Period policies, employee handbooks, wage
19 statements, payroll records, time records, job descriptions, and reimbursement policies.

20 5. On March 13, 2024 and again on November 26, 2024 Plaintiff served Notices of Deposition of
21 Defendant's PMKs re: employee compensation and meal and rest policies.

22 6. Following further substantive exchanges of discovery and litigation, the parties agreed to
23 explore resolution. As part of the settlement discussions, Master agreed to voluntarily produce
24 and verify hundreds of pages of documents. The production included all relevant policies. It also
25 included a large electronic sampling of other class members' time and wage data.

26 7. On January 20, 2026, the Parties attended a full day mediation before the experienced "Wage
27 and Hour" mediator, Jeffrey P. Fuchsman. Prior to mediation, counsel for both parties agreed
28 to the informal exchange of information, and case theories and defenses pertinent to a class-
wide settlement.

8. Following a “mediators proposal,” the Parties agreed on key terms of a settlement that would globally resolve all class and representative “Wage and Hour” claims asserted in the operative complaint in this Action.

9. As of August 18, 2026, the parties agreed on all final terms of the settlement which was memorialized in the Agreement, which is attached hereto as **Exhibit A**. Plaintiffs now seek the Court’s preliminary approval of the Agreement.

Terms of the Agreement

10. The parties agreed to use CAC Services, LLC, as the “Settlement Administrator” for purposes of providing the Notice of Class Action Settlement, issuing payments pursuant to the Agreement, and carrying out all duties pursuant to the Agreement. CAC’s sole business is the administration of class action settlements and class action notices.

11. The Agreement provides for an automatic Individual Settlement Payment to the members of the Class. No claims need be submitted. Class Members will be entitled to an average share of approximately **\$1,085.46**.

12. The parties’ agreed upon Class Notice is attached to this Declaration of Cody D. Archer, as **Exhibit B**.

13. The Class Representative Enhancement Payments were part of good faith negotiations and are intended to recognize that it was the Class Representative (Mr. Vega) who initiated the lawsuit, initiated the PAGA claims, provided critical documents and witnesses to their attorneys, and worked with their attorneys to propound and prepare written discovery, all in an effort to obtain money allegedly owed not only to themselves, but to hundreds of other employees.

Claims Analysis and Potential Recovery

14. Each of the primary claims also had risks to obtaining class certification and a finding of liability. If Defendants’ defenses were successful, the class would not receive anything. As set forth below, Plaintiff submits that the most realistic “best case” scenario would be an average recovery per class member of approximately **\$2,204.38**, and a worst case scenario would be a recovery of \$0, by way of decertification or defense verdict.

15. Given all the risks on each claim, the estimated **\$1,085.46** average recovery secured via this settlement is a reasonable compromise and is in the best interests of the class given all the risks

of continued litigation.

Damage Calculations

16. The following estimated damage calculations were completed after review of the sampling of class member time and wage records, and after interviews with Plaintiffs, and other class members. The breakdown of the damage and penalties calculation is as follows:

Unpaid Compensation Violations: 21 (employee positions) \$19.00 (average Hourly Rate) x 1.5 (min. overtime premium owed) x 40 (average number of unpaid Overtime hours, per employee, per year) x 4 (years in limitations period) = \$95,760.00

Meal Period Policy Violations: 21 (employee positions) \$19.00 (average Hourly Rate) x 52 (average number of Meal Period violations, per employee, per year) x 4 (years in limitations period) = \$82,992.00

Rest Period Policy Violations: \$19.00 (average hourly rate) x 21 (employee positions) x 4 (years at issue in limitations period) x 120 (approximate rest period violations per employee in a year) = \$191,520.00

Labor Code § 226 Penalties: \$100 (per violation) x 3,023 (pay periods in limitations period) x 100% (approximate rate of violations per pay period) = \$302,300.00

Labor Code §2802 Penalties: 105 (total employees) x \$25 (estimated average amount of reimbursement due per employee) = \$2,625.00

Labor Code § 203 Penalties: \$19.00 (average hourly rate) x 8.00 (hours, per day) x 30 (days, per Labor Code section 203) x 85 (number of former employees) = \$387,600.00

“PAGA” Violations: 6 (separate Labor Code violations based on the above claims) x \$50 (per violation) x 1,716 (pay periods in limitations period) = \$514,800.00. The aggrieved employees are only entitled to a 25% share of this amount, which is \$128,700.00.

17. Based on the above, a best case recovery (which would be admittedly highly unlikely, given the factors set forth below) would be a total judgment of \$1,191,497.00.

Relevant Case Law Supports a Further Reduction on any Recovery

18. Plaintiff concedes he would be highly unlikely to ever be awarded an amount approaching the maximum damages set forth above. To wit, the majority of the recovery would be "derivative" penalties under PAGA, Labor Code § 203 and Labor Code § 226.

19. Please see the analysis of the relevant case law cited in the memorandum (pp.10) which allows significant mitigation of PAGA penalties, which prohibits stacking of multiple penalties for the same underlying conduct and declines to automatically award §§ 203 and 226 penalties for meal and rest break violations without a further evidentiary showing.
20. Class Counsel believes a mitigation of the damages and potential PAGA penalties would be warranted here. As in the *Carrington* case, there was evidence that Master attempted to provide meal and rest periods in practice, and the written policies contained no facially non-compliant terms. Given this, it is likely that some of the violations by Master were not "willful." Finally, given the defenses raised by Defendants, there was a significant risk that many of the certified claims would not have been maintained through trial and appeal.
21. The Parties agree the failure to pay "former employees" under § 203 is derivative of the other claims. As Master asserts a "good faith dispute" for withholding any unpaid wages, it would be difficult to establish any liability for a "willful" failure to pay wages owed.
22. Given my experience, I believe it would be likely that PAGA penalties would be reduced to approximately \$5 a violation, and the Court would decline to impose Labor Code § 203 and Labor Code § 226 penalties.
23. If this happened, the realistic anticipated "best case" judgment following trial would be approximately **\$385,767.00**. Discounting 40% for contingent costs (fees and costs award, enhancement bonus, administration, etc.), the average class member's share of this recovery would be **\$2,204.38**. (\$231,460.20 divided by 105 class members). Given our office's analysis, I submit this number is the most likely "best case" recovery per class member. Given all the risks on each claim the estimated **\$1,085.46** average recovery secured via this settlement is a reasonable compromise and is in the best interests of the class given all the risks of continued litigation.

Analysis of Risk on Each Potential Claim

24. Plaintiff's unpaid wages (and overtime) claims were based on the allegation that employees were performing unpaid work due to the Master's timekeeping system, which required employees to record their "scheduled" (not "actual") work times. Moreover, Master's timekeeping system took "minutes worked" and transferred that amount to a decimal, causing

1 other losses due to certain alleged “transitional math errors” caused by the payroll system.
2 Plaintiff alleged this resulted in regular time and overtime pay being owed where Defendant was
3 on notice of work being performed without pay. Defendant also denied that any unpaid work
4 occurred, and even if some did occur, Defendant claimed it was not on notice of these alleged
5 Labor Code violations and had a strict written prohibition against off-the-clock work and a
6 mandate that all time worked must be accurately recorded. Defendant asserted proof of these
7 alleged violations would require individualized inquiries, which could preclude class
8 certification and make any PAGA claims unmanageable.

9 25. Plaintiff was able to identify hundreds of examples of missing or late Meal Periods without the
10 provision of a Meal Period penalty payment. Defendant argued that these records do not
11 conclusively show whether (1) Defendant actually failed to provide the Meal Period, (2) there
12 was a voluntary waiver, (3) employees forgot to clock out, or (4) employees voluntarily chose
13 to skip or take them late even though they were provided. Defendant further argued that
14 evidence existed that rebutted any presumption that the same records could be used as a basis
15 for determining liability. Additionally, in light of the written Meal and Rest Period policy,
16 Master contended there was no uniform policy or practice of denying Meal and Rest Periods,
17 requiring individualized inquiries that would make any PAGA claims unmanageable.

18 26. Plaintiff alleges that the Rest Period policy (1) contained patently illegal language restricting
19 employees to the work premises, and (2) lacks additional required statutory language. Plaintiff
20 also alleges the Defendant’s written policies improperly restricted class members from leaving
21 the premises during their Rest Periods, among other deficiencies. Master pointed out that it
22 provided for adequate breaks and argued that witness testimony would demonstrate that in
23 practice, no restriction on Rest Periods was ever enforced. Master also contended individualized
24 inquiries abound as to why individual employees may have failed to take appropriate Meal or
25 Rest Periods.

26 27. Plaintiff acknowledges that these claims are largely derivative, in that both the gross and net
27 wages could be found to be inaccurate, due to the above-referenced claims. Master argued that
28 the failure to list gross and net wages are derivative of other claims that may ultimately fail and
as a result there is no “knowing and intentional failure” to list information, which triggers

liability under Labor Code §226(e).

28. Defendant (as with the underlying Meal and Rest Period claims) maintained individualized inquires would abound as to why breaks were missed and whether meal and rest period premiums should have been paid, requiring individualized inquiries that would make any PAGA claims unmanageable.

29. Plaintiff contends that Master violated Labor Code section 2802 by failing to reimburse its employees for certain costs. Master contend that Plaintiff's position did not require the use of a personal cell phone.

30. The remaining claims are derivative in that PAGA and Labor Code § 203 penalties would only be permissible if the above claims are proven.

31. Based on all of the above, my experience, and all the information within the moving papers, I submit that this proposed Settlement is fair, adequate and reasonable. I also submit it is well within the accepted range of recoveries for similar wage and hour class actions.

Certification of the Proposed Settlement Class is Appropriate

32. Here, Defendants' records show that approximately **105** class members worked for the company during the limitations period.

33. The proposed class is ascertainable because all Class Members currently or formerly worked for Defendant as a nonexempt employee and will be identified through Defendant's employment records. Thus, the ascertainability requirement is met.

34. Here, for purposes of the Settlement, the parties agree the claims of Class Members all involve the same questions of law and fact. Namely, all class members were subject to the same employment policies and practices of Defendant.

35. The proposed class representatives have no adverse interests to the class. Plaintiffs are paid based on the same formula as other class members and have claims substantially the same as all the other Class Members.

36. Here, no such "inconsistencies" exist. Each Plaintiff will be compensated based on the same "pay period" formula as all other members of the Class.

37. Additionally, any Class Member who wishes to "opt out" of the Settlement may do so and retain

all of their individual rights. There is therefore no conflict of interest between the Class Representatives and the Class Members. Thus, at least for settlement purposes, the adequacy prong is met.

38. The proposed class in this case is sufficiently cohesive because, for purposes of the Settlement only, the parties have stipulated that all class certification elements are met.

39. Given that there are 105 individuals, it would be preferable to resolve all of the Class Members' claims by means of a class-wide settlement than to require each Class Member to litigate his or her individual claims.

Preliminary Approval of the Class Action Settlement Is Proper

40. When negotiating the Settlement, both sides took into account the strengths and weaknesses of their opponent's positions as pointed out by mediator Jeffrey P. Fuchsman, the data available to evaluate liability and damages, the lack of data or evidence on certain issues, and the substantial and evolving law applicable to the merits of the claims. The Agreement was only agreed to after extensive arms-length negotiations resulting in a unique compromise that permits all parties to move forward and bring this action to close. Despite a mutual desire to resolve this action, the negotiations remained at all times adversarial.

41. As trial approaches, each party's monetary risk increases significantly as substantial additional attorney hours and expert witness hours would have to be devoted to this case by each party. Each party bears a real risk at trial, and considering the balance of the strengths of Plaintiff's claims versus the risks inherent in trial and the consideration given to settle now, the settlement reflects a fair and adequate resolution to this action.

42. Plaintiff's Counsel's effectiveness in prosecuting this case has translated into tangible monetary and non-monetary benefits for the Settlement Class Members in the following respects: (1) a guaranteed favorable result; (2) guaranteed monetary recovery over a reasonably short period of time, as opposed to possibly waiting additional years for a potentially worse result; and (3) significant savings in attorneys' fees and costs, which would have increased had the case progressed through trial and possible appeals.

43. Without entering into the Agreement, there existed a significant chance that Defendants would prevail on the merits of some or all claims and that Class Members would receive nothing.

Through the Agreement, participating Class Members receive guaranteed cash, and this action has also been the catalyst for programmatic relief.

44. If the litigation were to proceed in lieu of settlement, additional and substantial attorneys fees and costs, expert witnesses fees would quickly accumulate. Given the numerous claims being litigated, the parties may be required to hire multiple experts each (as many as 6 total). This would result in not only the production of six expert reports, but six depositions as well. And, based on previous discussions between counsel regarding the remaining claims (including the PAGA claims), Plaintiff anticipated at least one motion to compel, and two dueling motions for summary judgment / adjudication (one from each side).

45. Importantly, even after engaging in all of the potential continued and protracted litigation set forth above, the putative class would continue to have no guarantee of success on any of the claims advanced in this case. Thus, the parties and their counsel believe in good faith that the proposed resolution is a fair, reasonable, and adequate compromise.

46. At the time of the settlement, a Motion for Class Certification had not been filed. As the Court never ruled on any such motion, neither side had a decided advantage in the litigation. Even if Plaintiff did obtain class certification of the claims, each claim is subject to substantial risk of a Defense verdict at trial.

47. Plaintiff's counsel maintains this recovery was significant in light of the circumstances of the case.

48. Plaintiff's counsel has also interviewed several Class Members in the course of investigating and litigating this matter. Counsel has also reviewed hundreds of pages of documents produced by Defendants, Plaintiffs, and Class Members.

49. Class Counsel has considerable experience in wage and hour and class action litigation. William Sullivan has over 31 years of experience, 30 years of which has been devoted to both prosecuting and defending class action litigation. Mr. Yaeckel has over 14 years of experience in "class litigation." I have approximately 2 years of experience in class action litigation.

50. Plaintiff's counsel considers the Agreement to represent a fair, adequate and reasonable settlement that is well within the accepted range of recoveries for similar cases. Counsel further believes the Agreement is in the best interests of the Settlement Class Members.

1 51. To confirm, 75% of the total allocation of \$17,500 amount, or **\$13,125.00**, is being paid to the
2 LWDA, and 25%, or **\$4,375.00**, being distributed amongst the class members. Counsel for the
3 parties believe this is a fair, reasonable, and adequate allocation.

4 52. Prior to preliminary approval, what can be said of the reaction the class members is limited.
5 However, Plaintiff's counsel has spoken to some Class Members since the parties reached a
6 proposed settlement agreement, and all were in favor of the Settlement.
7

8 I declare under penalty of perjury under the laws of the State of California that the
9 foregoing is true and correct. Executed this 19th day of August, 2026.

10 *Cody Archer*

11 CODY D. ARCHER
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit A

1 Eric K. Yaeckel [CSB No. 274608]
2 yaeckel@sullivanlawgroupapc.com
3 Cody D. Archer [CSB No. 361361]
4 cody@sullivanlawgroupapc.com
5 **SULLIVAN & YAECKEL LAW GROUP, APC**
6 2330 Third Avenue
7 San Diego, California 92101
8 (619) 702-6760 | (619) 702-6761 FAX
9 Attorneys for Plaintiff LUIS VEGA, in a Representative
10 capacity only, and on behalf of other members of the
11 general public similarly situated
12

13 Shannon Finley (CSB No. 294329)
14 sfinley@pettitkohn.com
15 Jackson Sullivan (CSB No. 353122)
16 jsullivan@pettitkohn.com
17 **PETTIT KOHN INGRASSIA LUTZ & DOLIN**
18 11622 El Camino Real #300
19 San Diego, California 92130
20 (858) 755-8500 | (858) 755-8504 Fax

21 Attorneys for Defendant MASTERSTOUCH BRAND L.L.C.

22 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
23 **COUNTY OF SAN DIEGO**

24 LUIS VEGA, in a Representative capacity only,
25 and on behalf of other members of the general
26 public similarly situated,

27 Plaintiff

28 v.

29 MASTERSTOUCH BRAND L.L.C., an
30 Arizona Limited Liability Company; and DOES
31 1-10, inclusive

32 Defendant

CASE NO.: 37-2024-00006540-CU-OE-CTL

*Assigned for all purposes to the
Honorable Marcella McLaughlin, Dept. 72*

**JOINT STIPULATION OF CLASS AND PAGA
ACTION SETTLEMENT AND RELEASE**

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
2 between Plaintiff LUIS VEGA (“Plaintiff”) and Defendant MASTERSTOUCH BRAND L.L.C.
3 (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or
4 individually as “Party.”

5
6 **1. DEFINITIONS.**

7 1.1 “Action” means the above-captioned lawsuit alleging wage and hour violations and
8 seeking recovery on a behalf a putative class of employees, and the recovery of civil penalties on
9 behalf of the State of California pursuant to the Private Attorneys’ General Act (“PAGA”), against
10 Defendant.

11 1.2 “Administrator” means CAC Services Group, LLC, the neutral entity the Parties
12 have agreed to appoint to administer the Settlement.

13 1.3 “Administration Expenses Payment” means the amount the Administrator will be
14 paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
15 accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with
16 Preliminary Approval of the Settlement.

17 1.4 “PAGA Employee” means all persons who worked for Defendant as hourly non-
18 exempt employees in California during the period of November 28, 2022 to April 20, 2026 (the
19 “PAGA Period”).

20 1.5 “Class” means all persons who worked for Defendant as hourly non-exempt
21 employees in California during the period of February 9, 2020 to April 20, 2026 (the “Class
22 Period”). It shall be an opt-out class.

23 1.6 “Class Counsel” means Eric Yaeckel and Cody Archer of Sullivan & Yaeckel Law
24 Group, APC.

25 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment”
26 mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and
27 expenses, respectively, incurred to prosecute and resolve the Action.

1 1.8 “Class Data” means the relevant Class Member identifying information in
2 Defendant’s possession including the Class Member’s name, last-known mailing address, Social
3 Security number, and number of Class Period Workweeks and PAGA Pay Periods.

4 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as
5 either a Participating Class Member or Non-Participating Class Member (including a Non-
6 Participating Class Member who qualifies as a PAGA Employee).

7 1.10 “Class Member Address Search” means the Administrator’s investigation and
8 search for current Class Member mailing addresses using all reasonably available sources, methods
9 and means including, but not limited to, the National Change of Address database, skip traces, and
10 direct contact by the Administrator with Class Members.

11 1.11 “Class Notice” means the Court Approved Notice of Class Action Settlement and
12 Hearing Date for Final Court Approval, to be mailed to Class Members in English in the form,
13 without material variation, with a Spanish translation, attached as **Exhibit A** and incorporated by
14 reference into this Agreement.

15 1.12 “Class Period” means the period from February 9, 2020 to April 20, 2026.

16 1.13 “Class Representative” means the named plaintiff, LUIS VEGA, in the operative
17 Complaint and Action seeking Court approval to serve as a Class Representative.

18 1.14 “Class Representative Service Payment” means the payment to the Class
19 Representative for initiating the Action and providing services in support of the Action.

20 1.15 “Court” means the Superior Court of California, County of San Diego.

21 1.16 “Defendant” means Defendant MASTERSTOUCH BRAND L.L.C.

22 1.17 “Defense Counsel” means Shannon Finley and Jackson Sullivan of Pettit, Kohn &
23 Ingrassia Lutz & Dolin.

24 1.18 “Effective Date” means the date by which all of the following have occurred: (a) the
25 Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the
26 Judgment is final. Final means when all of the following events have occurred: (1) The Settlement
27 Agreement has been executed by all Parties, Class Counsel, and Defendant’s Counsel; (2) The
28 Court has given preliminary approval to the Settlement; and (3) The Court has held a Final

1 Settlement Approval Hearing and has entered a Final Order and Judgment, approving the
2 Settlement. It is the Parties' intention that the Settlement shall be final for purposes of the Effective
3 Date at the time of Final Approval, if no objections to the settlement are filed. Only in the event
4 that written objections are filed prior to the Final Settlement Approval Hearing, which are not later
5 withdrawn prior to final approval, the Effective Date shall be the later of: (a) the date of final
6 affirmance on an appeal of the Judgment; the expiration of the time for a petition to review the
7 Judgment; and, if review is granted, the date of final affirmance of the Judgment following review;
8 or (b) the date of final dismissal of any appeal from the Judgment or the final dismissal of any
9 proceeding to review the Judgment; or (c) if no appeal is filed, the expiration date for filing any
10 appeal from the Judgment either (i) the date sixty (60) calendar days after the entry of Final
11 Judgment and Order Approving Settlement, if no motions for reconsideration and no appeals or
12 other efforts to obtain review have been filed, or (ii) in the event a motion for reconsideration, an
13 appeal or other effort to obtain review of the Final Judgment and Order Approving Settlement, the
14 date sixty (60) calendar days after such reconsideration, appeal or review has been finally
15 concluded and is no longer subject to review, whether by appeal, petition for rehearing, petition for
16 review or otherwise.

17 1.19 "Final Approval" means the Court's order granting final approval of the Settlement.

18 1.20 "Final Approval Hearing" means the Court's hearing on the Motion for Final
19 Approval of the Settlement.

20 1.21 "Final Judgment" means the Judgment Entered by the Court upon Granting Final
21 Approval of the Settlement.

22 1.22 "Gross Settlement Amount" means Two Hundred Thirty Thousand Dollars and Zero
23 Cents (\$230,000.00), which is the total amount Defendant agrees to pay under the Settlement except
24 as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual
25 Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees,
26 Class Counsel Expenses, the Class Representative Service Payment, and the Administrator's
27 Expenses.

28 1.23 "Individual Class Payment" means a Participating Class Member's pro rata share of

1 the Net Settlement Amount calculated according to the number of Workweeks worked during the
2 Class Period.

3 1.24 “Individual PAGA Payment” means a PAGA Employee’s pro rata share of 25% of
4 the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA
5 Period.

6 1.25 “Judgment” means the judgment entered by the Court based upon the Final
7 Approval.

8 1.26 “LWDA” means the California Labor and Workforce Development Agency
9 referenced in Labor Code section 2699, subdivision (i).

10 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties to be paid to the
11 LWDA under Labor Code section 2699, subdivision (i).

12 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following
13 payments in the amounts approved by the Court: the Individual PAGA Payments, the LWDA
14 PAGA Payment, the Class Representative Service Payment, Class Counsel Fees Payment, Class
15 Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder
16 is to be paid to Participating Class Members as Individual Class Payments.

17 1.29 “Non-Participating Class Member” means any Class Member who opts out of the
18 Settlement by sending the Administrator a valid and timely Request for Exclusion.

19 1.30 “PAGA Pay Period” means any Pay Period during which an PAGA Employee
20 worked for Defendant for at least one day during the PAGA Period. PAGA Pay Periods will be
21 based on hire dates, last dates worked or separation dates (as applicable), and rehire dates (as
22 applicable), and may exclude periods when the PAGA Employee did not work.

23 1.31 “PAGA Period” means the period from November 28, 2022 to April 20, 2026.

24 1.32 “PAGA” means the Private Attorneys General Act of 2004 (Lab. Code, § 2698 et
25 seq.).

26 1.33 “PAGA Notice” means Plaintiff’s November 28, 2023 letter to Defendant and the
27 LWDA, providing notice pursuant to Labor Code section 2699.3, subdivision (a).

28 1.34 “PAGA Penalties” means the total amount of civil penalties (\$17,500.00) to be paid

1 from the Net Settlement Amount, allocated 25% to the PAGA Employees (\$4,375.00) and 75% to
2 LWDA (\$13,125.00) in settlement of PAGA claims.

3 1.35 “Participating Class Member” means a Class Member who does not submit a valid
4 and timely Request for Exclusion from the Settlement.

5 1.36 “Plaintiff” means LUIS VEGA, the named plaintiff in the Action.

6 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of
7 the Settlement.

8 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary
9 Approval and Approval of PAGA Settlement.

10 1.39 “Released Class Claims” means the claims being released as described in Paragraph
11 5.2 below.

12 1.40 “Released PAGA Claims” means the claims being released as described in
13 Paragraph 5.3 below.

14 1.41 “Released Parties” means Defendant Masterstouch Brand L.L.C., and each of its
15 current and former direct and indirect affiliates, other related business entities, parents, equity
16 holders, owners, and alleged and potential joint employers of any of the Class Members or PAGA
17 Employees, and each of their respective divisions, subsidiaries, joint ventures, customers, members,
18 actual or alleged joint employers, officers, directors, employees, contractors, agents, principals,
19 representatives, accountants, auditors, attorneys, insurers, consultants, other representatives or
20 persons or acting by, under or in concern with any of the forgoing, and each of the forgoing
21 successors, predecessors and heirs, and any other persons that could be jointly liable with Defendant
22 for any of the Released Claims.

23 1.42 “Request for Exclusion” means a Class Member’s submission of a written request
24 signed by the Class Member to be excluded from being a Participating Class Member and receiving
25 an Individual Class Payment.

26 1.43 “Response Deadline” means thirty (30) days after the Administrator mails Notice to
27 Class Members and PAGA Employees and shall be the last date on which Class Members may: (a)
28 fax or USPS mail Requests for Exclusion from the Settlement, or (b) fax or USPS mail his, her, or

1 their Objection to the Settlement. Class Members to whom Notice Packets are resent after having
2 been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar
3 days beyond the Response Deadline has expired.

4 1.44 “Settlement” means the disposition of the Action effected by this Agreement and
5 the Judgment.

6 1.45 “Workweek” means any week during which a Class Member performed work for
7 Defendant for at least one day, during the Class Period. Workweeks will be based on hire dates,
8 last dates worked or separation dates (as applicable), and rehire dates (as applicable), and may
9 exclude periods when the Class Member did not perform work.

10 1.46 “Operative Complaint” is the First Amended Complaint which will be filed by
11 Plaintiff to include class action causes of action in addition to the previously pled PAGA claim,
12 and the scope will be consistent with the Released Claims as defined in sections 5.2 and 5.3 below.

13 1.47 “Amended PAGA Notice” is the Amended PAGA Notice which will be submitted
14 by Plaintiff to align the scope of the Released Claims as defined in section 5.3 below.

15 **2. RECITALS.**

16 2.1 On February 9, 2024, Plaintiff commenced this Action by filing a Complaint
17 alleging a proposed PAGA Complaint asserting meal and rest period violations, minimum wage
18 and overtime violations, wage statement and final pay violations, and failure to reimburse business
19 expenses. Defendant denies the allegations in the Operative Complaint, denies any failure to
20 comply with the laws identified in the Operative Complaint and denies any and all liability for the
21 causes of action alleged.

22 2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written
23 notice to Defendant and the LWDA by sending the PAGA Notice.

24 2.3 On January 20, 2026, following negotiations facilitated by experienced wage and
25 hour mediator Jeffrey P. Fuchsman, the parties agreed to the key terms of a settlement of the Action.

26 2.4 Prior to settlement, Plaintiff obtained, through formal and informal discovery, time
27 and pay records for putative class members, and relevant documents and information related to
28 Defendant’s employment policies and practices. Plaintiff’s investigation was sufficient to satisfy

1 the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th
2 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130
3 (“*Dunk/Kullar*”).

4 2.5 The Parties stipulate to class certification for settlement purposes only.

5 2.6 Defendant denies the allegations in the Action, denies any failure to comply with
6 the laws identified in the Action, and denies any and all liability for the causes of action alleged in
7 the Action.

8 2.7 The Parties, Class Counsel, and Defense Counsel represent that they are not aware
9 of any other pending matter or action asserting claims that will be extinguished or affected by the
10 Settlement.

11 **3. MONETARY TERMS.**

12 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
13 Defendant promises to pay Two Hundred and Thirty Thousand Dollars and Zero Cents
14 (\$230,000.00) and no more as the Gross Settlement Amount and to separately pay all employer
15 payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no
16 obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in
17 Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement
18 Amount without asking or requiring Participating Class Members or PAGA Employees to submit
19 any claim as a condition of payment. None of the Gross Settlement Amount will revert to
20 Defendant.

21 3.2 Payments from the Gross Settlement Amount. The Administrator will make and
22 deduct the following payments from the Gross Settlement Amount, in the amounts specified by the
23 Court in the Final Approval:

24 3.2.1 To Plaintiff: Class Representative Service Payment to the Class
25 Representative of not more than Ten Thousand Dollars (\$10,000.00) (in addition to any
26 Individual Class Payment and any Individual PAGA Payment the Class Representative is
27 entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's
28 request for a Class Representative Service Payment that does not exceed this amount. As

1 part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment,
2 Plaintiff will seek Court approval for any Class Representative Service Payments no later
3 than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a
4 Class Representative Service Payment less than the amount requested, the Administrator
5 will allocate the remainder to the Net Settlement Amount. The Administrator will pay the
6 Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full
7 responsibility and liability for employee taxes owed on the Class Representative Service
8 Payment.

9 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3%,
10 which is currently estimated to be \$76,666.67, and a Class Counsel Litigation Expenses
11 Payment of not more than \$12,000.00 according to proof. Defendant will not oppose
12 requests for these payments provided they do not exceed these amounts. If the Court
13 approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses
14 Payment less than the amounts requested, the Administrator will allocate the remainder to
15 the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any
16 other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee
17 Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay
18 the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more
19 IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on
20 the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment.

21 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed
22 \$4,234.40 except for a showing of good cause and as approved by the Court. To the extent
23 the Administration Expenses are less or the Court approves payment less than \$4,234.40
24 the Administrator will allocate the remainder to the Net Settlement Amount.

25 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated
26 by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by
27 all Participating Class Members during the Class Period and (b) multiplying the result by
28 each Participating Class Member's Workweeks.

1 3.2.4.1 Tax Allocation of Individual Class Payment. 20% of each
2 Participating Class Member's Individual Class Payment will be allocated to
3 settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to
4 tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of
5 each Participating Class Member's Individual Class Payment will be evenly
6 allocated to settlement of claims for interest and penalties (the "Non-Wage
7 Portion"). The Non-Wage Portions are not subject to wage withholdings and will be
8 reported on IRS 1099 Forms. Participating Class Members assume full
9 responsibility and liability for any employee taxes owed on their Individual Class
10 Payment.

11 3.2.4.2 Effect of Non-Participating Class Members on Calculation of
12 Individual Class Payments. Non-Participating Class Members will not receive any
13 Individual Class Payments. The Administrator will retain amounts equal to their
14 Individual Class Payments in the Net Settlement Amount for distribution to
15 Participating Class Members on a pro rata basis.

16 3.2.5 To the LWDA and PAGA Employees: PAGA Penalties in the amount of
17 \$17,500.00 to be paid from the Gross Settlement Amount, with 75% (\$13,125.00) allocated
18 to the LWDA PAGA Payment and 25% (\$4,375.00) allocated to the Individual PAGA
19 Payments.

20 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by
21 (a) dividing the amount of the PAGA Employees' 25% share of PAGA Penalties
22 (\$4,375.00) by the total number of PAGA Period Pay Periods worked by all PAGA
23 Employees during the PAGA Period and (b) multiplying the result by each PAGA
24 Employee's PAGA Period Pay Periods. PAGA Employees assume full
25 responsibility and liability for any taxes owed on their Individual PAGA Payment.

26 3.2.5.2 If the Court approves PAGA Penalties of less than the amount
27 requested, the Administrator will allocate the remainder to the Net Settlement
28 Amount. The Administrator will report the Individual PAGA Payments on IRS 1099

Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and PAGA Pay Periods. Based on a review of its records through the date of mediation, Defendant estimates, and Plaintiff agrees, there are 105 Class Members who collectively worked a total of approximately 6,047 Workweeks during the Class Period, and 71 PAGA Employees collectively worked a total of 1,716 Pay Periods during the PAGA Period.

4.2 Class Data. Not later than fourteen (14) days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously 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 if it discovers that the Class Data omitted Class Member identifying information and 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.

4.3 Funding of Gross Settlement Amount. Defendant shall ensure it has fully funded the Gross Settlement Amount and also funded the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator in accordance with the following installment plan schedule:

4.3.1 First Installment. Defendant will pay one-half of the Gross Settlement Amount (\$115,000) within thirty (30) days of Final Approval of the Class Settlement.

4.3.2 Second Installment. Defendant will pay the second installment comprised of: (1) one-half of the Gross Settlement Amount (\$115,000), and (2) employer payroll taxes owed on the Wage Portion of the Individual Class Payments as calculated by the Administrator within six (6) months of Final Approval of the Class Settlement.

1 4.4 Payments from the Gross Settlement Amount. Within ten (10) days after Defendant
2 has fully funded the Gross Settlement Amount, the Administrator will mail checks for all Individual
3 Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration
4 Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses
5 Payment, and the Class Representative Service Payment. The Administrator shall provide Class
6 Counsel and Defense Counsel at least three (3) business days' notice of the mailing of the Class
7 Notice.

8 4.4.1 The Administrator will issue checks for the Individual Class Payments
9 and/or Individual PAGA Payments and send them to the Class Members via First Class U.S.
10 Mail, postage prepaid. The face of each check shall prominently state the date (not less than
11 180 days after the date of mailing) when the check will be voided. The Administrator will
12 cancel all checks not cashed by the void date. The Administrator will send checks for
13 Individual Settlement Payments to all Participating Class Members (including those for
14 whom Class Notice was returned undelivered). The Administrator will send checks for
15 Individual PAGA Payments to all PAGA Employees including Non-Participating Class
16 Members who qualify as PAGA Employees (including those for whom Class Notice was
17 returned undelivered). The Administrator may send Participating Class Members a single
18 check combining the Individual Class Payment and the Individual PAGA Payment. Before
19 mailing any checks, the Settlement Administrator must update the recipients' mailing
20 addresses using the National Change of Address Database.

21 4.4.2 The Administrator must conduct a Class Member Address Search for all
22 other Class Members whose checks are returned undelivered without United States Postal
23 Service ("USPS") forwarding address. Within seven (7) days of receiving a returned check
24 the Administrator must re-mail checks to the USPS forwarding address provided or to an
25 address ascertained through the Class Member Address Search. The Administrator need not
26 take further steps to deliver checks to Class Members whose re-mailed checks are returned
27 as undelivered. The Administrator shall promptly send a replacement check to any Class
28 Member whose original check was lost or misplaced, requested by the Class Member prior

1 to the void date.

2 4.4.3 For any Class Member whose Individual Class Payment check or Individual
3 PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall
4 transmit the funds represented by such checks to the California Controller's Unclaimed
5 Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject
6 to the requirements of Code of Civil Procedure section 384, subdivision (b).

7 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments
8 shall not obligate Defendant to confer any additional benefits or make any additional
9 payments to Class Members (such as 401(k) contributions or bonuses) beyond those
10 specified in this Agreement.

11 **5. RELEASES OF CLAIMS.** Effective on the date when Defendant has fully funded the
12 entire Gross Settlement Amount and has funded all employer payroll taxes owed on the Wage
13 Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release
14 claims against all Released Parties as follows:

15 5.1 Plaintiff's Release. Plaintiff and his former and present spouses, representatives,
16 agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge
17 Released Parties from all claims, transactions or occurrences with Released Parties up to the
18 Effective Date of this Agreement, including, but not limited to: (a) all claims that were, or
19 reasonably could have been, alleged, based on the facts contained, in the Operative Complaint; (b)
20 all PAGA claims that were, or have been, alleged based on facts contained in the Operative
21 Complaint, Plaintiff's initial and Amended PAGA Notices, or ascertained during the Action and
22 released under 5.2, below; and all claims and causes of action arising from her employment and
23 termination of employment with Defendant ("Plaintiff's Release") This is meant to be a general
24 release as to Plaintiff. However, Plaintiff's Release does not extend to any claims or actions to
25 enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability
26 benefits, social security benefits, or workers' compensation benefits that arose at any time. Plaintiff
27 acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or
28 law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release

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

3 5.1.1 Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes
4 of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and
5 benefits, if any, of section 1542 of the Civil Code, which reads: A GENERAL RELEASE
6 DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY
7 DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME
8 OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD
9 HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
10 OR RELEASED PARTY.

11 5.2 Release by Participating Class Members Who Are Not PAGA Employees: All
12 Participating Class Members, on behalf of themselves and their respective former and present
13 representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released
14 Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the
15 Class Period facts stated in the Operative Complaint, and ascertained in the course of the Action
16 including but not limited to: (a) any and all claims involving any alleged failure to pay minimum
17 wage and failure to maintain accurate time records; (b) any and all claims involving alleged meal,
18 rest and/or other break violations including payment of premiums at the proper regular rate of pay
19 and off the clock work and failing to provide compliant rest days; (c) any and all claims involving
20 the alleged failure to pay for all hours worked, including overtime, on call pay, off the clock work,
21 and other payments at the proper regular rate of pay; (d) any and all claims involving the alleged
22 failure to properly reimburse reasonable business expenses; (e) any and all claims involving the
23 alleged failure to accrued vacation time pay, other time off, or waiting time penalties; and (f) any
24 and all claims involving the alleged failure to provide itemized wage statements in compliance with
25 California law in compliance with California Labor Code sections 201, 202, 203, 204, 210, 218.5,
26 221, 226, 226.3, 226.7, 227.3, 246, 432.5, 432.6, 510, 512, 515, 551, 552, 558, 1030, 1031, 1032,
27 1033, 1034, 1174(d), 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2801, and 2802, and the applicable
28 IWC Wage Order(s). Except as set forth in Section 5.3 of this Agreement, Participating Class

1 Members do not release any other claims, including claims for vested benefits, wrongful
2 termination, violation of the Fair Employment and Housing Act, unemployment insurance,
3 disability, social security, workers' compensation or claims based on facts occurring outside the
4 Class Period.

5 5.3 Release by PAGA Employees: All PAGA Employees are deemed to release, on
6 behalf of themselves and their respective former and present representatives, agents, attorneys,
7 heirs, administrators, successors and assigns, the Released Parties from all claims for civil penalties
8 under PAGA, whether known or unknown, to recover wages, damages, penalties, attorneys' fees,
9 litigation costs, restitution, or equitable relief, which all PAGA Employees, the LWDA, and any
10 other representative, proxy, or agent thereof, had, or may claim to have, that were alleged or could
11 have been alleged in the Action based upon the facts alleged and legal assertions alleged, whether
12 or not specifically delineated as a claim or cause of action in the Action through the end of the
13 PAGA Period, including but not limited to those alleged in the PAGA Notice, the Amended PAGA
14 Notice, and the Operative Complaint, including claims that reasonably arise out of or arise in
15 connection with the claims and facts alleged in the Action, and any claims which could have
16 reasonably been asserted in the Action arising from the alleged facts and/or primary rights alleged
17 to have been invaded including, but not limited to, alleged violations of the California Labor Code
18 sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 227.3, 246, 432.5, 432.6, 510, 512,
19 515, 551, 552, 558, 1030, 1031, 1032, 1033, 1034, 1174(d), 1194, 1197, 1197.1, 1198, 1198.5,
20 2800, 2801, 2802, and 2699 ("PAGA Released Claims"). The PAGA Released Claims are further
21 released by Plaintiff in his representative capacity as an authorized proxy and agent for the State of
22 California and the LWDA and as private attorney general acting on behalf of itself and the PAGA
23 Employees, for civil penalties under the PAGA, based on any claim that arises under the California
24 Labor Code and forever bar the LWDA, and any other representative, proxy, or agent thereof,
25 including, but not limited to, any and all allegedly aggrieved PAGA Employees, from pursuing any
26 action against the Released Parties for the PAGA Released Claims.

27 **6. MOTION FOR PRELIMINARY APPROVAL.** Plaintiff's Counsel will prepare and file
28 a motion for preliminary approval ("Motion for Preliminary Approval") subject to approval by

1 Defendant's counsel.

2 6.1 Plaintiff's Responsibilities. Plaintiff's counsel will prepare Plaintiff's motion for
3 preliminary approval. Not later than seven (7) days prior to the submission of the motion for
4 preliminary approval of this Settlement Agreement to the Court, Class Counsel will submit a near-
5 final draft thereof (including all supporting papers and proposed order) to counsel for Defendant
6 for their review and comment.

7 6.2 Responsibilities of Counsel. As soon as practicable after execution of this
8 Settlement Agreement, the Class Representatives and Class Counsel shall apply to the Court for
9 the entry of a preliminary approval order which would accomplish the following:

10 a. Schedule a hearing (the "**Final Approval Hearing**") on the question of
11 whether the Settlement, including, *inter alia*, the payment of Attorneys' Fees and Costs,
12 Enhancement Award, and PAGA Amount should be finally approved as fair, reasonable, and
13 adequate, and finally resolving any outstanding issues or disputes remaining from the
14 administration of the notice of the settlement;

15 b. Approve, as to form and content, the proposed Notice;

16 c. Direct the mailing of the Notice by first class mail to the Class Members;

17 d. Preliminarily approve the Settlement and monetary allocations for
18 awards/payments of Attorneys' Fees and Costs, Settlement Administration Costs, Enhancement
19 Award, and PAGA Amount, subject to the final review and approval by the Court;

20 e. Preliminarily approve CAC Services Group, LLC as the Settlement
21 Administrator;

22 Plaintiff's Counsel shall be responsible for ensuring that all required submittals and
23 notifications to the LWDA under PAGA regarding this Settlement are made by Plaintiff.

24 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
25 Preliminary Approval, Class Counsel and Defense Counsel will expeditiously work together on
26 behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the
27 disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval
28 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 CAC Services Group, LLC to serve as the Administrator and verified that, as a condition of appointment, CAC Services Group, LLC 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 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

7.4.1 No later than five (5) 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 and Workweeks in the Class Data. Class Counsel and Defense Counsel shall agree on the Class Notice attached as **Exhibit A** and any required revisions, and approve of the mailing schedule. The Administrator shall provide Class Counsel and Defense Counsel at least three (3) business days' notice of the mailing of the Class Notice.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than seven (7) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as **Exhibit A**. The

1 first page of the Class Notice shall prominently estimate the dollar amounts of any
2 Individual Class Payment and/or Individual PAGA Payment payable to the Class Member,
3 and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these
4 amounts. Before mailing Class Notices, the Administrator shall update Class Member
5 addresses using the National Change of Address database.

6 7.4.3 Not later than three (3) business days after the Administrator's receipt of any
7 Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class
8 Notice using any forwarding address provided by the USPS. If the USPS does not provide
9 a forwarding address, the Administrator shall conduct a Class Member Address Search, and
10 re-mail the Class Notice to the most current address obtained. The Administrator has no
11 obligation to make further attempts to locate or send Class Notice to Class Members whose
12 Class Notice is returned by the USPS a second time.

13 7.4.4 The deadlines for Class Members' written objections, Challenges to
14 Workweeks and/or Pay Periods and Requests for Exclusion will be extended an additional
15 fourteen (14) days beyond the thirty (30) days otherwise provided in the Class Notice for
16 all Class Members whose notice is re-mailed. The Administrator will inform the Class
17 Member of the extended deadline with the re-mailed Class Notice.

18 7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or
19 otherwise discovers any persons who believe they should have been included in the Class
20 Data and should have received Class Notice, the Parties will expeditiously meet and confer
21 in good faith, in an effort to agree on whether to include them as Class Members. If the
22 Parties agree, such persons will be Class Members entitled to the same rights as other Class
23 Members, and the Administrator will send, via email or overnight delivery, a Class Notice
24 requiring them to exercise options under this Agreement not later than fourteen (14) days
25 after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

26 7.5 Requests for Exclusion (Opt-Outs).

27 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class
28 Settlement must send the Administrator, by fax or USPS mail, a signed written Request for

1 Exclusion not later than thirty (30) days after the Administrator mails the Class Notice (plus
2 an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A
3 Request for Exclusion is a letter from a Class Member or his/her/their representative that
4 reasonably communicates the Class Member's election to be excluded from the Settlement
5 and includes the Class Member's name, address and telephone number. To be valid, a
6 Request for Exclusion must be timely faxed, or postmarked by the Response Deadline. If
7 a Class Member submits a valid Request for Exclusion, the Non-Participating Class
8 Members will still receive their Individual PAGA Payment. PAGA Employees may not
9 opt-out of the Individual PAGA Payment, and any opt-out of the Individual PAGA Payment
10 will have no force or effect.

11 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because
12 it fails to contain all the information specified in the Class Notice. The Administrator shall
13 accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the
14 identity of the person as a Class Member and the Class Member's desire to be excluded.
15 The Administrator's determination shall be final and not appealable or otherwise
16 susceptible to challenge. If the Administrator has reason to question the authenticity of a
17 Request for Exclusion, the Administrator may demand additional proof of the Class
18 Member's identity. The Administrator's determination of authenticity shall be final and not
19 appealable or otherwise susceptible to challenge.

20 7.5.3 Every Class Member who does not submit a timely and valid Request for
21 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to
22 all benefits and bound by all terms and conditions of the Settlement, including the
23 Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement,
24 regardless of whether the Participating Class Member actually receives the Class Notice or
25 objects to the Settlement.

26 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion
27 is a Non-Participating Class Member and shall not receive an Individual Class Payment or
28 have the right to object to the class action components of the Settlement. Because future

1 PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating
2 Class Members who are PAGA Employees are deemed to release the claims identified in
3 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

4 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have thirty (30)
5 days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class
6 Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and
7 PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member
8 may challenge the allocation by communicating with the Administrator via fax, or USPS mail. The
9 Administrator must encourage the challenging Class Member to submit supporting documentation.
10 In the absence of any contrary documentation, the Administrator is entitled to presume that the
11 Workweeks contained in the Class Notice are correct so long as they are consistent with the Class
12 Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or
13 Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The
14 Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or
15 Pay Periods to Defense Counsel and Class Counsel and the Administrator's preliminary
16 determination with respect to any such challenges.

17 7.7 Objections to Settlement.

18 7.7.1 Only Participating Class Members may object to the class action
19 components of the Settlement and/or this Agreement, including contesting the fairness of
20 the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
21 Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

22 7.7.2 Participating Class Members may send written objections to the
23 Administrator, by fax, or USPS mail. In the alternative, Participating Class Members may
24 appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final
25 Approval Hearing. A Participating Class Member who elects to send a written objection to
26 the Administrator must do so not later than thirty (30) days after the Administrator's mailing
27 of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class
28 Notice was re-mailed).

1 7.7.3 Non-Participating Class Members have no right to object to any of the class
2 action components of the Settlement.

3 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks
4 to be performed or observed by the Administrator contained in this Agreement or otherwise.

5 7.8.1 Requests for Exclusion (Opt-outs). The Administrator will promptly review
6 on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5)
7 days after the expiration of the deadline for submitting Requests for Exclusion, the
8 Administrator shall email to Class Counsel and Defense Counsel a report containing (a) the
9 number of Class Members who have timely submitted valid Requests for Exclusion; (b) the
10 number of Class Members who have submitted invalid Requests for Exclusion; (c) copies
11 of all Requests for Exclusion from Settlement submitted (whether valid or invalid) with all
12 personal contact information for Opt-outs and Class Members (including the names,
13 addresses, phone numbers, and/or full or partial social security numbers) redacted before
14 they are provided to Class Counsel.

15 7.8.2 Weekly Reports. The Administrator must, on a weekly basis, provide written
16 reports to Class Counsel that, among other things, tally the number of: Class Notices mailed
17 or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or
18 invalid) received, objections received, challenges to Workweeks and/or Pay Periods
19 received and/or resolved, and checks mailed for Individual Class Payments and Individual
20 PAGA Payments (“Weekly Report”). The Weekly Reports must provide the
21 Administrator’s assessment of the validity of Requests for Exclusion and attach copies of
22 all Requests for Exclusion and objections received, with all personal contact information
23 (including the names, addresses, phone numbers, and/or full or partial social security
24 numbers) redacted.

25 7.8.3 Workweek and/or Pay Period Challenges. The Administrator has the
26 authority to address and make final decisions consistent with the terms of this Agreement
27 on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The
28 Administrator’s decision shall be final and not appealable or otherwise susceptible to

1 challenge.

2 7.8.4 Administrator's Declaration. Not later than five (5) days before the date by
3 which Plaintiff is required to file the Motion for Final Approval of the Settlement, the
4 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration
5 suitable for filing in Court attesting to its due diligence and compliance with all of its
6 obligations under this Agreement, including, but not limited to, its mailing of Class Notice,
7 the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate
8 Class Members, the total number of Requests for Exclusion from Settlement it received
9 (both valid or invalid), and the number of written objections. The Administrator may not
10 sign a declaration without approval of both Class Counsel and Defense Counsel. The
11 Administrator will supplement its declaration as needed or requested by the Parties and/or
12 the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in
13 Court.

14 7.8.5 Final Report by Settlement Administrator. Within ten (10) days after the
15 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will
16 provide Class Counsel and Defense Counsel with a final report detailing its disbursements
17 by employee identification number only of all payments made under this Agreement. At
18 least fifteen (15) days before any deadline set by the Court, the Administrator will prepare,
19 and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing
20 in Court attesting to its disbursement of all payments required under this Agreement. Class
21 Counsel is responsible for filing the Administrator's declaration in Court. The
22 Administrator may not sign a declaration without approval of both Class Counsel and
23 Defense Counsel.

24 8. **CLASS SIZE ESTIMATES**. Based on its records, Defendant estimates, and Plaintiff
25 agrees, that there are 105 Class Members and who collectively worked approximately 6,047 Total
26 Workweeks between February 9, 2020 and the date of mediation on January 20, 2026. The Class
27 Settlement was based on an estimated 6,047 work weeks worked by Class Members between
28 February 9, 2020 and the date of mediation on January 20, 2026. If the number of work weeks

1 worked by class members during the Class Period exceeds 6,652 (i.e., 10 % more than the number
2 of estimated work weeks) then, at Defendant's option, the Class Settlement will either increase by
3 1 % for every 1 % over the 10 % threshold, or the Class Period will end on the date the number of
4 work weeks equals 6,652.

5 **9. DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for
6 Exclusion exceeds 5% of the total of all Class Members, Defendant may elect, but is not obligated,
7 to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement
8 shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any
9 further obligation to perform under this Agreement; provided, however, Defendant will remain
10 responsible for paying all Settlement Administration Expenses incurred to that point. Defendant
11 must notify Class Counsel and the Court of its election to withdraw no later than fourteen (14) days
12 after the Administrator sends the final report to Defense Counsel of the number of valid Requests
13 for Exclusion; late elections will have no effect.

14 **10. MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the
15 calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the
16 Settlement that includes a request for approval of the PAGA settlement under Labor Code section
17 2699, subdivision (1), a Proposed Final Approval Order and a proposed Judgment (collectively
18 "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel
19 not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and
20 Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith,
21 to resolve any disagreements concerning the Motion for Final Approval.

22 **10.1 Response to Objections.** Each Party retains the right to respond to any objection
23 raised by a Participating Class Member, including the right to file responsive documents in Court
24 no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or
25 accepted by the Court.

26 **10.2 Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
27 Approval on any material change to the Settlement (including, but not limited to, the scope of
28 release to be granted by Class Members), the Parties will expeditiously work together in good faith

1 to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval.
2 The Court's decision to award less than the amounts requested for the Class Representative Service
3 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or
4 Administrator Expenses Payment shall not constitute a material modification to the Agreement
5 within the meaning of this paragraph.

6 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment,
7 the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of
8 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and
9 (iii) addressing such post-Judgment matters as are permitted by law pursuant to section 664.6 of
10 the California Code of Civil Procedure.

11 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
12 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
13 Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective
14 counsel and all Participating Class Members who did not object to the Settlement as provided in
15 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment
16 and appellate proceedings, the right to file motions to vacate judgment, motions for new trial,
17 extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to
18 oppose such motions, writs, or appeals. If an objector appeals the Judgment, the Parties' obligations
19 to perform under this Agreement will be suspended until such time as the appeal is finally resolved
20 and the Judgment becomes final, except as to matters that do not affect the amount of the Net
21 Settlement Amount.

22 10.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the
23 reviewing Court vacates, reverses or modifies the Judgment in a manner that requires a material
24 modification of this Agreement (including, but not limited to, the scope of release to be granted by
25 Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously
26 work together in good faith to address the appellate court's concerns and to obtain Final Approval
27 and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses
28 reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's

1 award of the Class Representative Service Payment or any payments to Class Counsel shall not
2 constitute a material modification of the Judgment within the meaning of this paragraph, as long as
3 the Gross Settlement Amount remains unchanged.

4 11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil
5 Procedure section 384, the Parties will work together in good faith to jointly submit a proposed
6 amended judgment.

7 12. **ADDITIONAL PROVISIONS.**

8 12.1 No Admission of Liability, Class Certification or Representative Manageability for
9 Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims.
10 Nothing in this Agreement is intended or should be construed as an admission by Defendant that
11 any of the allegations in the Operative Complaint or in the PAGA Notices have merit or that
12 Defendant has any liability for any claims asserted; nor should it be intended or construed as an
13 admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that
14 class certification and representative treatment is for purposes of this Settlement only. If, for any
15 reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant
16 reserves the right to contest certification of any class for any reasons, and Defendant reserves all
17 available defenses to the claims in the Action, and Plaintiff reserves the right to move for class
18 certification on any grounds available and to contest Defendant's defenses. The Settlement, this
19 Agreement, and Parties' willingness to settle the Action will have no bearing on, and will not be
20 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
21 Settlement and this Agreement).

22 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant,
23 and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
24 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
25 another person to disclose, disseminate, or publicize, any of the terms of the Agreement directly or
26 indirectly, specifically or generally, to any person, corporation, association, government agency, or
27 other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be
28 instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent

1 necessary to report income to appropriate taxing authorities; (4) in response to a court order or
2 subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
3 agency. Each Party agrees to immediately notify each other Party of any judicial or agency order,
4 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense
5 Counsel separately agree not to directly or indirectly initiate any conversation or other
6 communication, before the filing of the Motion for Preliminary Approval, with any with third party
7 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
8 “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s
9 communications with Class Members in accordance with Class Counsel’s ethical obligations owed
10 to Class Members.

11 12.3 No Solicitation. The Parties separately agree that they and their respective counsel
12 and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
13 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability
14 to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed
15 to Class Members.

16 12.4 Press and Publicity. The Parties and their counsel agree that they will not issue any
17 press releases, initiate any contact with the press, respond to any press inquiry, publicize the
18 Settlement, or have any communication with the press about this Action and/or facts, amount, or
19 terms of the Settlement at any time. The Parties agree that the “the press” for purposes of this
20 section includes any and all online posts on news articles. This provision shall not apply to the
21 filing of any documents with the Court or LWDA that are necessary to effectuate the Settlement,
22 nor is it intended to interfere with or restrict the: (a) Settlement Administrator from distributing the
23 Notice Packet and complying with its obligation to provide information to the Class Members
24 and/or PAGA Employees; (b) Settlement Administrator from posting any judgment on its website;
25 and (c) Class Counsel from disclosing the names of the Parties in this Action and the venue/case
26 number of this action for purposes of proving adequacy.

27 12.5 Integrated Agreement. Upon execution by all Parties and their counsel, this
28 Agreement together with its attached exhibits shall constitute the entire agreement between the

1 Parties relating to the Settlement, superseding all oral representations, warranties, covenants or
2 inducements made to or by any Party.

3 12.6 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
4 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
5 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its
6 terms, and to execute any other documents reasonably required to effectuate the terms of this
7 Agreement including any amendments to this Agreement.

8 12.7 Cooperation. The Parties and their counsel will cooperate with each other and use
9 their best efforts, in good faith, to implement the Settlement by, among other things, modifying the
10 Settlement Agreement, submitting supplemental evidence and supplementing points and authorities
11 as requested by the Court. In the event the Parties are unable to agree upon the form or content of
12 any document necessary to implement the Settlement, or on any modification of the Agreement
13 that may become necessary to implement the Settlement, the Parties will seek the assistance of a
14 mediator and/or the Court for resolution.

15 12.8 No Prior Assignments. The Parties separately represent and warrant that they have
16 not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
17 encumber to any person or entity and portion of any liability, claim, demand, action, cause of action,
18 or right released and discharged by the Party in this Settlement.

19 12.9 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel
20 are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
21 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part
22 10, as amended) or otherwise.

23 12.10 Modification of Agreement. This Agreement, and all parts of it, may be amended,
24 modified, changed or waived only by an express written instrument signed by all Parties or their
25 representatives and approved by the Court.

26 12.11 Agreement Binding on Successors. This Agreement will be binding upon, and inure
27 to the benefit of, the successors of each of the Parties.

28 12.12 Applicable Law. All terms and conditions of this Agreement and its exhibits will be

1 governed by and interpreted according to the internal laws of the State of California, without regard
2 to conflict of law principles.

3 12.13 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
4 of this Agreement. This Agreement will not be construed against any Party on the basis that the
5 Party was the drafter or participated in the drafting.

6 12.14 Confidentiality. To the extent permitted by law, all agreements made and orders
7 entered during Action and in this Agreement relating to the confidentiality of information shall
8 survive the execution of this Agreement.

9 12.15 Use and Return of Class Data. Information provided to Class Counsel pursuant to
10 Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class
11 Counsel by Defendant in connection with the mediation, other settlement negotiations, or in
12 connection with the Settlement, may be used only with respect to this Settlement, and no other
13 purpose, and may not be used in any way that violates any existing contractual agreement, statute
14 or California Rules of Court rule. Not later than ninety (90) days after the date when the Court
15 discharges the Administrator's obligation to provide a Declaration confirming the final pay out of
16 all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received
17 from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant
18 make a written request to Class Counsel for the return, rather than the destruction, of Class Data.

19 12.16 Headings. The descriptive heading of any section or paragraph of this Agreement is
20 inserted for convenience of reference only and does not constitute a part of this Agreement.

21 12.17 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
22 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
23 weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

24 12.18 Notice. All notices, demands or other communications between the Parties in
25 connection with this Agreement will be in writing and deemed to have been duly given as of the
26 third business day after mailing by United States mail, or the day sent by email or messenger,
27 addressed as follows:

28 To Plaintiff:

1 Eric Yaeckel
2 Cody Archer
3 Sullivan & Yaeckel Law Group, APC
4 2330 Third Avenue
5 San Diego, CA 92101

6 To Defendant:
7 Shannon Finley
8 Jackson Sullivan
9 **PETTIT KOHN INGRASSIA LUTZ & DOLIN**
10 11622 El Camino Real #300
11 San Diego, California 92130

12 12.19 Execution in Counterparts. This Agreement may be executed in one or more
13 counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this
14 Agreement shall be accepted as an original. All executed counterparts and each of them will be
15 deemed to be one and the same instrument if counsel for the Parties will exchange between
16 themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove
17 the existence and contents of this Agreement.

18 12.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the
19 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree
20 that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330
21 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the
22 entire period of this settlement process.

23 12.21 No Waiver of Arbitration. The Parties agree that this Agreement does not waive
24 Defendant's right to enforce an Arbitration Agreement signed by Class Members in the event the
25 Agreement is null and void or a Class Member files a new action.
26
27
28

1 Date: 08 / 04 / 2026
2 _____

PLAINTIFF

3 

4 LUIS VEGA
5 _____

6 Date: _____
7

DEFENDANT MASTERSTOUCH
BRANDS L.L.C.

8 By: _____
9 Its: _____
10

11 Dated: August __, 2026

SULLIVAN & YAECKEL LAW GROUP, APC

12 By: _____
13 Eric K. Yaeckel
14 Cody D. Archer
Attorneys for Plaintiff LUIS VEGA

15 Dated: August __, 2026
16

PETTIT KOHN INGRASSIA LUTZ & DOLIN

17 By: _____
18 Shannon Finley
19 Jackson Sullivan
Attorney for Defendant MASTERSTOUCH
20 BRAND L.L.C.
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Date: _____

PLAINTIFF

LUIS VEGA

Date: 08/18/2026

DEFENDANT MASTERSTOUCH
BRANDS L.L.C.

Juan Luis Lira

By: Juan Luis
Its: Chief Financial Officer

Dated: August 18, 2026

SULLIVAN & YAECKEL LAW GROUP, APC

By: *Cody Archer*

Eric K. Yaeckel
Cody D. Archer
Attorneys for Plaintiff LUIS VEGA

Dated: August 18, 2026

PETTIT KOHN INGRASSIA LUTZ & DOLIN

By: *Shannon Finley*

Shannon Finley
Jackson Sullivan
Attorney for Defendant MASTERSTOUCH
BRAND L.L.C.

Exhibit A

SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN DIEGO

NOTICE OF CLASS ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

LUIS VEGA, in a Representative capacity only, and on behalf
of other members of the general public similarly situated,

Plaintiff,

vs.

MASTERSTOUCH BRAND L.L.C., an Arizona Limited
Liability Company; and DOES 1-10, inclusive,

Defendants

CASE No. 37-2024-00006540-CU-OE-CTL
JUDGE: Hon. Marcella McLaughlin
Dept.C-72

NOTICE OF CLASS ACTION SETTLEMENT

I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the case entitled *Luis Vega v. Masterstouch Brand L.L.C, et al*, Case No. 37-2024-00006540-CU-OE-CTL in San Diego Superior Court (hereinafter the “Action”).

This notice is to inform you of the proposed Settlement of the Action. The notice is also intended to (i) describe the Settlement, including how the Settlement monies will be allocated and how the Settlement may affect you; and (ii) advise you of your rights and options with respect to the Settlement.

You are receiving this notice by order of the Court because the records of Masterstouch Brand L.L.C. (hereinafter referred to as “MB” or “Defendant”), indicate that you are a current or former non-exempt employee of MB, who worked in California during the time period of February 9, 2020, through April 20, 2026. As a result, **you are eligible to receive a portion of the settlement amount.**

This is **not** a notice of a lawsuit against you. **You are not being sued.**

II. WHAT IS THE LAWSUIT ABOUT?

On February 9, 2024, a former MB employee in California, Luis Vega (hereinafter referred to as “Vega” or “Plaintiff”), filed a lawsuit in which he alleged Labor Code violations and penalties for alleged violations of California wage-and-hour laws as to himself and other alleged PAGA employees.

As part of the Settlement, the parties have filed an Amended Complaint in this matter to add class claims brought by Vega.

Specifically, this Action alleges that the class members were not paid regular, minimum, or overtime wages or final wages upon separation from employment, as required by California law; were not provided meal and rest periods under the California Labor Code and Wage Orders; were not reimbursed for all business-related expenses; and, were not provided wage statements with information specified in the California Labor Code. The lawsuit also seeks penalties under California’s Private Attorneys General Act (“PAGA”) set forth in California Labor Code §§ 2699 *et seq.*

Plaintiff’s attorneys, Sullivan & Yaeckel Law Group, APC, have been litigating the Action in State Court prior to this settlement.

MB maintains that class members have been paid all compensation that were due to them, maintains that it has complied with California’s wage-and-hour laws, and denies all wrongdoing. MB contends that its employment law policies and practices in place before, during, and after this lawsuit are compliant with California law. The Company’s position was and remains that Vega’s allegations lacked a factual basis and legal merit, and that Vega lacked standing to prevail. Although MB knew it could provide substantial evidence compliance with California’s wage and hour laws, it was also aware that actively litigating Vega’s

standing and ultimate PAGA claims would be expensive and time consuming. Accordingly, MB agreed to resolve the matter in exchange for an appropriate release of claims approved by the San Diego Superior Court. Although wage and hour suits tend to be a cost of doing business in the state of California, MB remains dedicated to its extensive compliance efforts.

The Court has not ruled on whether Plaintiff's allegations have any merit. However, in order to avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, Plaintiff and MB have negotiated a settlement whereby MB has agreed to pay up to **\$230,000.00** to resolve the matter. As a Class Member and/or PAGA Employee, you are eligible to receive a portion of this amount.

This settlement is **not** an admission by MB of any liability, and MB denies all allegations of wrongdoing.

III. WHO IS INCLUDED IN THIS CLASS ACTION?

All who were employed by MB and worked as non-exempt employees for MB in the State of California at any time during the Class Period from February 9, 2020, through April 20, 2026 (the "Class Members").

All persons who were employed by MB and worked as non-exempt employees for MB in the State of California at any time during the PAGA Period from November 28, 2022, through April 20, 2026 ("PAGA Employees").

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

Under the terms of the parties' proposed settlement, the following will occur if the settlement is given final approval by the Court:

A. MB will pay up to Two Hundred Thirty Thousand Dollars and Zero Cents (\$230,000.00) to settle the claims of all Settlement Class Members and PAGA Employees.

B. A claims administrator has been appointed by the Court to administer the settlement. The claims administrator will pay from the \$230,000.00 settlement the following amounts: (1) Plaintiff's counsel's attorneys' fees, up to 33 & 1/3% of the settlement value (or \$76,666.67); (2) Plaintiff's counsel's costs of litigation, up to the amount of \$12,000.00; (3) The expenses of administering the settlement, up to the amount of \$4,234.40; (4) An enhancement award of up to \$10,000.00 to Plaintiff for his role in pursuing the litigation; (5) A payment of \$13,125.00 to the California Labor & Workforce Development Agency, representing 75% of the \$17,500.00 allocated to the settlement of the claim for civil penalties under PAGA; and (6) A payment of \$4,375.00 to Aggrieved Employees, representing 25% of the \$17,500.00 allocated to the settlement of the claim for civil penalties under PAGA. The remainder will be paid to the Class Members in settlement of their individual claims (the "Class Payment").

C. The Class Payment will be divided among all Class Members based on the estimated number of weeks worked for MB in California by each Class Member. That is, the Class Payment will be divided by the number of aggregate qualified weeks worked by all Class Members during the Class Period to produce a "Weekly Settlement Value." A "qualified week" is any week in which a Class Member was employed by and performed worked for MB in California during the Class Period (February 9, 2020 through April 20, 2026) as a non-exempt employee. If you do not opt out of the settlement, you will be eligible to receive a settlement payment in the amount of the total number of qualified weeks you worked for MB during the Class Period multiplied by the Weekly Settlement Value, less applicable withholdings.

D. The PAGA Payment will be allocated among PAGA Employees who performed work for MB in California between November 28, 2022, through April 20, 2026 (the "PAGA Period") as a non-exempt employee.

Each individual's share of the PAGA payment will be determined based on the number of aggregate qualified pay periods worked by PAGA Group Members during the PAGA Period. Similarly, each individual's share of the PAGA Subclass payment will be determined based on the number of aggregate pay periods worked by PAGA Subclass Members during the PAGA Subclass Period. PAGA Group Members and PAGA Subclass Members cannot opt out of the PAGA Payment or PAGA Subclass Payment or release of PAGA claims or PAGA Subclass Claims.

E. Corresponding to MB's records, you worked for MB in the State of California as a non-exempt employee for approximately [INSERT NUMBER OF weeks] weeks during the Class Period and [] pay periods during the PAGA Period. Your portion of the Settlement Payment will be based on the above information. If you believe the information above is incorrect, you may dispute this information by sending your corrections and any supporting documentation to the Claims

Administrator via U.S. Mail, at _____. Please be advised that the information listed above is presumed to be correct unless you prove otherwise.

The estimated value of each workweek for purposes of calculating Settlement Payments to all Class Members is approximately: <<AMOUNT>>. The estimated value of each pay period for purposes of calculating Settlement Payments to all PAGA Group Members is approximately: <<AMOUNT>>.

Your estimated total settlement amount is <<AMOUNT>>. This is only an estimate. Your actual share may change depending on the Court's final ruling and the final number of participating Class Members.

F. Class Member Released Claims: If the Court grants final approval of the settlement agreement and you do not opt out of the settlement, then you will be deemed to have fully, finally, and forever released MB and the "Released Parties" (defined in section IV. H below) from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, e.g., "(a) any and all claims involving any alleged failure to pay minimum wage and failure to maintain accurate time records; (b) any and all claims involving alleged meal and/or rest break violations including payment of premiums at the proper regular rate of pay and off the clock work and failing to provide compliant rest days; (c) any and all claims involving the alleged failure to pay for all hours worked, including overtime, on call pay, off the clock work, and other payments at the proper regular rate of pay; (d) any and all claims involving the alleged failure to properly reimburse reasonable business expenses; (e) any and all claims involving the alleged failure to pay accrued vacation time pay, other time off, or waiting time penalties; and (f) any and all claims involving the alleged failure to provide itemized wage statements in compliance with California law and in compliance with California Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 227.3, 246, 432.5, 432.6, 510, 512, 515, 551, 552, 558, 1030, 1031, 1032, 1033, 1034, 1174(d), 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2801, and 2802, and the applicable IWC Wage Order(s), etc. Except as set forth in Section IV.G of this Agreement (below), Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period.

G. PAGA Employee Released Claims: If the Court grants final approval of the settlement agreement, PAGA Employees will be deemed to have fully, finally, and forever released MB and "Released Parties" (defined in section IV. H below) from any and all claims for recovery of civil penalties under the Private Attorneys General Act ("PAGA"), whether known or unknown, to recover wages, damages, penalties, attorneys' fees, litigation costs, restitution, or equitable relief, which Plaintiff, the LWDA, the PAGA Employees, and any other representative, proxy, or agent thereof, had, or may claim to have, that were alleged or could have been alleged in Plaintiff's letters to the LWDA, or the Action from November 28, 2022 through April 20, 2026, arising from the alleged facts and/or primary rights alleged to have been invaded including, but not limited to, alleged violations of the California Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 227.3, 246, 432.5, 432.6, 510, 512, 515, 551, 552, 558, 1030, 1031, 1032, 1033, 1034, 1174(d), 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2801, 2802, and 2699 ("PAGA Released Claims"). The PAGA Employee Released Claims are further released by Plaintiff in his representative capacity as an authorized proxy and agent for the State of California and the LWDA and as private attorney general acting on behalf of itself and the PAGA Employees, for civil penalties under the PAGA, based on any claim that arises under the California Labor Code and forever bar the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all allegedly aggrieved PAGA Employees, from pursuing any action against the Released Parties for the PAGA Released Claims..

H. "Released Parties" means Defendant Masterstouch Brand L.L.C., and each of its their current and former direct and indirect affiliates, other related business entities, parents, and equity holders, owners, and alleged and potential joint employers of any of the Class Members or PAGA Employees, and each of their respective divisions, subsidiaries, joint ventures, customers, members, actual or alleged joint employers, officers, directors, employees, contractors, agents, principals, representatives, accountants, auditors, attorneys, insurers, consultants, other representatives or persons or acting by, under or in concern with any of the forgoing, and each of the forgoing successors, predecessors and heirs, and any other persons that could be jointly liable with Defendant for any of the Released Claims.

I. Please Note: Individuals who fall within the definition of the Class may choose to request exclusion or "opt-out" of these groups under such procedures specified herein. Any such persons who opt out of the Class ("Opt-Outs") will not receive an Individual Class Payment. However, you may not opt out of the portion of the Settlement relating to the settlement of claims under the PAGA. Even if a Class Member opts out, they will still receive an Individual PAGA Payment. You will be bound by the PAGA Member Release whether or not you cash the check for your portion of the PAGA allocation before it becomes void.

V. WHAT ARE MY OPTIONS?

A. *You may accept your share of the settlement and be bound by the release of all claims described above.*

If you take no action related to this notice, you will be a Participating Class Member, eligible for an individual class payment. All Participating Class Members can object to any aspect of the proposed settlement. The procedures for objecting to the settlement are described below in Section VIII of this form. Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the claims administrator. Your check will remain valid and negotiable for one hundred eighty (180) days from the date on which it is issued. After those one hundred eighty (180) days expire, the check will become void, and the funds will be placed in your name with the California State Unclaimed Property Fund;

OR

B. *You may exclude yourself from the settlement, in which case you will not receive a share of the Class Payment and you will not be bound by the Settlement as to the release of class claims.* If you choose to not participate in the Settlement and be excluded, you must send a written request for exclusion, by mail or email, to the claims administrator, located at _____ by no later than _____ (30 calendar days after the mailing of this Notice) (plus an additional 14 days if this Notice was re-mailed to you). In order to be considered valid, your request for exclusion **must** include your name, your address, your telephone number, and a request for exclusion.

MB will not retaliate against you for any actions you take with respect to the proposed settlement.

VI. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The claims administrator will calculate your share of the settlement and will issue you a check.

B. Twenty percent (20%) of your share of the Individual Class Payment, and Individual PAGA Payment will be considered wages from which ordinary tax withholdings will be deducted. No tax deductions shall be made from the remaining Eighty percent (80%) of these payments. You will be given IRS tax forms for each of these amounts. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

C. One hundred percent (100%) of your share of the Individual PAGA Payment will be considered non-wages. You will be given an IRS tax form for this amount.

D. It is important for the parties to have your current address in order to be able to send you other mailings regarding the Action. You should contact the claims administrator to report any change of your address after you receive this Notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

VII. HEARING ON PROPOSED SETTLEMENT

A final hearing will be held before the Court on _____, 2027, at _____ a.m., Department C-72 of the San Diego County Superior Court, located at the Hall of Justice, 330 West Broadway, San Diego, California 92101, to decide whether or not the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you. You are not required to attend the hearing. Sullivan & Yaeckel Law Group, APC (contact information below), counsel for Plaintiff and the Class, will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. Remote appearances at the hearing may be allowed, but the procedures are subject to change. Current procedures are posted on the Court's website at: <https://www.sdcourt.ca.gov/virtualhearings>. You should check the Court website for up-to-date information before attempting to make a remote appearance.

VIII. PROCEDURES FOR OBJECTING TO SETTLEMENT

All Class Members who do not opt-out ("Settlement Class Members") can object to any aspect of the proposed settlement. Settlement Class Members have the option of objecting to the Settlement and telling the Court that you do not agree with the Settlement or some part of it. The Court will consider your views. To object, you may send a letter, which you must sign, saying that you object to the settlement of *Luis Vega v. Mastertouch Brands, LLC, et al.*, Case No. 37-2024-00006540-CU-OE-CTL. Be sure to include the case name and case number (as shown in the preceding sentence), your name, the last four digits of your

Social Security Number and/or your MB employee ID number (if known), your address, the specific reasons you object to the terms of the Settlement, and your signature. Mail the objection to the Settlement Administrator address at [REDACTED] or fax to [REDACTED] on or before [REDACTED], 2026 (30 calendar days after mailing of this Notice, plus an additional 14 days if your class notice is re-mailed). A written objection is optional. You may also appear at the Final Approval Hearing, as described in Section VII, above, to have any objections heard by the Court if you are a Settlement Class Member.

IX. EXAMINATION OF COURT PAPERS AND QUESTIONS

This Notice summarizes the Settlement. For more detailed information, you may view a complete copy of the settlement agreement, and any papers filed in the Action, which are on file with the Clerk of the Court, case number 37-2024-00006540-CU-OE-CTL. The pleadings and all other records from this litigation may be examined by inspecting the Court file in the at the filing department of the San Diego County Superior Court, located at Hall of Justice, 330 West Broadway, San Diego, California 92101. You may also review the settlement agreement, along with other court records regarding this case, on the Court's website, <https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords>, through the link to the "Register of Actions."

If you have any questions, you can call the Claims Administrator at [REDACTED] or any of Class Counsel (see below for phone numbers.)

ATTORNEYS REPRESENTING PLAINTIFF AND THE CLASS

SULLIVAN & YAECKEL LAW GROUP, APC

Eric K. Yaeckel
Cody D. Archer
2330 Third Avenue
San Diego, California 92101
(619) 702-6760 | (619) 702-6761 FAX

ATTORNEYS REPRESENTING DEFENDANT MASTERTOUCH BRANDS L.L.C

PETTIT KOHN INGRASSIA LUTZ & DOLIN PC

Shannon R. Finley
Jackson A. Sullivan
11622 El Camino Real Suite 300
San Diego, CA 92130
Tel: (858) 755-8500; Fax: (858) 755-8504

PLEASE DO NOT CALL THE COURT REGARDING THIS SETTLEMENT.

Exhibit B

SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN DIEGO

NOTICE OF CLASS ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

LUIS VEGA, in a Representative capacity only, and on behalf
of other members of the general public similarly situated,

Plaintiff,

vs.

MASTERSTOUCH BRAND L.L.C., an Arizona Limited
Liability Company; and DOES 1-10, inclusive,

Defendants

CASE No. 37-2024-00006540-CU-OE-CTL
JUDGE: Hon. Marcella McLaughlin
Dept.C-72

NOTICE OF CLASS ACTION SETTLEMENT

I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the case entitled *Luis Vega v. Masterstouch Brand L.L.C., et al*, Case No. 37-2024-00006540-CU-OE-CTL in San Diego Superior Court (hereinafter the “Action”).

This notice is to inform you of the proposed Settlement of the Action. The notice is also intended to (i) describe the Settlement, including how the Settlement monies will be allocated and how the Settlement may affect you; and (ii) advise you of your rights and options with respect to the Settlement.

You are receiving this notice by order of the Court because the records of Masterstouch Brand L.L.C. (hereinafter referred to as “MB” or “Defendant”), indicate that you are a current or former non-exempt employee of MB, who worked in California during the time period of February 9, 2020, through April 20, 2026. As a result, **you are eligible to receive a portion of the settlement amount.**

This is **not** a notice of a lawsuit against you. **You are not being sued.**

II. WHAT IS THE LAWSUIT ABOUT?

On February 9, 2024, a former MB employee in California, Luis Vega (hereinafter referred to as “Vega” or “Plaintiff”), filed a lawsuit in which he alleged Labor Code violations and penalties for alleged violations of California wage-and-hour laws as to himself and other alleged PAGA employees.

As part of the Settlement, the parties have filed an Amended Complaint in this matter to add class claims brought by Vega.

Specifically, this Action alleges that the class members were not paid regular, minimum, or overtime wages or final wages upon separation from employment, as required by California law; were not provided meal and rest periods under the California Labor Code and Wage Orders; were not reimbursed for all business-related expenses; and, were not provided wage statements with information specified in the California Labor Code. The lawsuit also seeks penalties under California’s Private Attorneys General Act (“PAGA”) set forth in California Labor Code §§ 2699 *et seq.*

Plaintiff’s attorneys, Sullivan & Yaeckel Law Group, APC, have been litigating the Action in State Court prior to this settlement.

MB maintains that class members have been paid all compensation that were due to them, maintains that it has complied with California’s wage-and-hour laws, and denies all wrongdoing. MB contends that its employment law policies and practices in place before, during, and after this lawsuit are compliant with California law. The Company’s position was and remains that Vega’s allegations lacked a factual basis and legal merit, and that Vega lacked standing to prevail. Although MB knew it could provide substantial evidence compliance with California’s wage and hour laws, it was also aware that actively litigating Vega’s

standing and ultimate PAGA claims would be expensive and time consuming. Accordingly, MB agreed to resolve the matter in exchange for an appropriate release of claims approved by the San Diego Superior Court. Although wage and hour suits tend to be a cost of doing business in the state of California, MB remains dedicated to its extensive compliance efforts.

The Court has not ruled on whether Plaintiff's allegations have any merit. However, in order to avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, Plaintiff and MB have negotiated a settlement whereby MB has agreed to pay up to **\$230,000.00** to resolve the matter. As a Class Member and/or PAGA Employee, you are eligible to receive a portion of this amount.

This settlement is **not** an admission by MB of any liability, and MB denies all allegations of wrongdoing.

III. WHO IS INCLUDED IN THIS CLASS ACTION?

All who were employed by MB and worked as non-exempt employees for MB in the State of California at any time during the Class Period from February 9, 2020, through April 20, 2026 (the "Class Members").

All persons who were employed by MB and worked as non-exempt employees for MB in the State of California at any time during the PAGA Period from November 28, 2022, through April 20, 2026 ("PAGA Employees").

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

Under the terms of the parties' proposed settlement, the following will occur if the settlement is given final approval by the Court:

A. MB will pay up to Two Hundred Thirty Thousand Dollars and Zero Cents (\$230,000.00) to settle the claims of all Settlement Class Members and PAGA Employees.

B. A claims administrator has been appointed by the Court to administer the settlement. The claims administrator will pay from the \$230,000.00 settlement the following amounts: (1) Plaintiff's counsel's attorneys' fees, up to 33 & 1/3% of the settlement value (or \$76,666.67); (2) Plaintiff's counsel's costs of litigation, up to the amount of \$12,000.00; (3) The expenses of administering the settlement, up to the amount of \$4,234.40; (4) An enhancement award of up to \$10,000.00 to Plaintiff for his role in pursuing the litigation; (5) A payment of \$13,125.00 to the California Labor & Workforce Development Agency, representing 75% of the \$17,500.00 allocated to the settlement of the claim for civil penalties under PAGA; and (6) A payment of \$4,375.00 to Aggrieved Employees, representing 25% of the \$17,500.00 allocated to the settlement of the claim for civil penalties under PAGA. The remainder will be paid to the Class Members in settlement of their individual claims (the "Class Payment").

C. The Class Payment will be divided among all Class Members based on the estimated number of weeks worked for MB in California by each Class Member. That is, the Class Payment will be divided by the number of aggregate qualified weeks worked by all Class Members during the Class Period to produce a "Weekly Settlement Value." A "qualified week" is any week in which a Class Member was employed by and performed worked for MB in California during the Class Period (February 9, 2020 through April 20, 2026) as a non-exempt employee. If you do not opt out of the settlement, you will be eligible to receive a settlement payment in the amount of the total number of qualified weeks you worked for MB during the Class Period multiplied by the Weekly Settlement Value, less applicable withholdings.

D. The PAGA Payment will be allocated among PAGA Employees who performed work for MB in California between November 28, 2022, through April 20, 2026 (the "PAGA Period") as a non-exempt employee.

Each individual's share of the PAGA payment will be determined based on the number of aggregate qualified pay periods worked by PAGA Group Members during the PAGA Period. Similarly, each individual's share of the PAGA Subclass payment will be determined based on the number of aggregate pay periods worked by PAGA Subclass Members during the PAGA Subclass Period. PAGA Group Members and PAGA Subclass Members cannot opt out of the PAGA Payment or PAGA Subclass Payment or release of PAGA claims or PAGA Subclass Claims.

E. Corresponding to MB's records, you worked for MB in the State of California as a non-exempt employee for approximately [INSERT NUMBER OF weeks] weeks during the Class Period and [] pay periods during the PAGA Period. Your portion of the Settlement Payment will be based on the above information. If you believe the information above is incorrect, you may dispute this information by sending your corrections and any supporting documentation to the Claims

Administrator via U.S. Mail, at _____. Please be advised that the information listed above is presumed to be correct unless you prove otherwise.

The estimated value of each workweek for purposes of calculating Settlement Payments to all Class Members is approximately: <<AMOUNT>>. The estimated value of each pay period for purposes of calculating Settlement Payments to all PAGA Group Members is approximately: <<AMOUNT>>.

Your estimated total settlement amount is <<AMOUNT>>. This is only an estimate. Your actual share may change depending on the Court's final ruling and the final number of participating Class Members.

F. Class Member Released Claims: If the Court grants final approval of the settlement agreement and you do not opt out of the settlement, then you will be deemed to have fully, finally, and forever released MB and the "Released Parties" (defined in section IV. H below) from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, e.g., "(a) any and all claims involving any alleged failure to pay minimum wage and failure to maintain accurate time records; (b) any and all claims involving alleged meal and/or rest break violations including payment of premiums at the proper regular rate of pay and off the clock work and failing to provide compliant rest days; (c) any and all claims involving the alleged failure to pay for all hours worked, including overtime, on call pay, off the clock work, and other payments at the proper regular rate of pay; (d) any and all claims involving the alleged failure to properly reimburse reasonable business expenses; (e) any and all claims involving the alleged failure to pay accrued vacation time pay, other time off, or waiting time penalties; and (f) any and all claims involving the alleged failure to provide itemized wage statements in compliance with California law and in compliance with California Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 227.3, 246, 432.5, 432.6, 510, 512, 515, 551, 552, 558, 1030, 1031, 1032, 1033, 1034, 1174(d), 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2801, and 2802, and the applicable IWC Wage Order(s), etc. Except as set forth in Section IV.G of this Agreement (below), Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period.

G. PAGA Employee Released Claims: If the Court grants final approval of the settlement agreement, PAGA Employees will be deemed to have fully, finally, and forever released MB and "Released Parties" (defined in section IV. H below) from any and all claims for recovery of civil penalties under the Private Attorneys General Act ("PAGA"), whether known or unknown, to recover wages, damages, penalties, attorneys' fees, litigation costs, restitution, or equitable relief, which Plaintiff, the LWDA, the PAGA Employees, and any other representative, proxy, or agent thereof, had, or may claim to have, that were alleged or could have been alleged in Plaintiff's letters to the LWDA, or the Action from November 28, 2022 through April 20, 2026, arising from the alleged facts and/or primary rights alleged to have been invaded including, but not limited to, alleged violations of the California Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 227.3, 246, 432.5, 432.6, 510, 512, 515, 551, 552, 558, 1030, 1031, 1032, 1033, 1034, 1174(d), 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2801, 2802, and 2699 ("PAGA Released Claims"). The PAGA Employee Released Claims are further released by Plaintiff in his representative capacity as an authorized proxy and agent for the State of California and the LWDA and as private attorney general acting on behalf of itself and the PAGA Employees, for civil penalties under the PAGA, based on any claim that arises under the California Labor Code and forever bar the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all allegedly aggrieved PAGA Employees, from pursuing any action against the Released Parties for the PAGA Released Claims..

H. "Released Parties" means Defendant Masterstouch Brand L.L.C., and each of its their current and former direct and indirect affiliates, other related business entities, parents, and equity holders, owners, and alleged and potential joint employers of any of the Class Members or PAGA Employees, and each of their respective divisions, subsidiaries, joint ventures, customers, members, actual or alleged joint employers, officers, directors, employees, contractors, agents, principals, representatives, accountants, auditors, attorneys, insurers, consultants, other representatives or persons or acting by, under or in concern with any of the forgoing, and each of the forgoing successors, predecessors and heirs, and any other persons that could be jointly liable with Defendant for any of the Released Claims.

I. Please Note: Individuals who fall within the definition of the Class may choose to request exclusion or "opt-out" of these groups under such procedures specified herein. Any such persons who opt out of the Class ("Opt-Outs") will not receive an Individual Class Payment. However, you may not opt out of the portion of the Settlement relating to the settlement of claims under the PAGA. Even if a Class Member opts out, they will still receive an Individual PAGA Payment. You will be bound by the PAGA Member Release whether or not you cash the check for your portion of the PAGA allocation before it becomes void.

V. WHAT ARE MY OPTIONS?

A. *You may accept your share of the settlement and be bound by the release of all claims described above.*

If you take no action related to this notice, you will be a Participating Class Member, eligible for an individual class payment. All Participating Class Members can object to any aspect of the proposed settlement. The procedures for objecting to the settlement are described below in Section VIII of this form. Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the claims administrator. Your check will remain valid and negotiable for one hundred eighty (180) days from the date on which it is issued. After those one hundred eighty (180) days expire, the check will become void, and the funds will be placed in your name with the California State Unclaimed Property Fund;

OR

B. *You may exclude yourself from the settlement, in which case you will not receive a share of the Class Payment and you will not be bound by the Settlement as to the release of class claims.* If you choose to not participate in the Settlement and be excluded, you must send a written request for exclusion, by mail or email, to the claims administrator, located at _____ by no later than _____ (30 calendar days after the mailing of this Notice) (plus an additional 14 days if this Notice was re-mailed to you). In order to be considered valid, your request for exclusion **must** include your name, your address, your telephone number, and a request for exclusion.

MB will not retaliate against you for any actions you take with respect to the proposed settlement.

VI. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The claims administrator will calculate your share of the settlement and will issue you a check.

B. Twenty percent (20%) of your share of the Individual Class Payment, and Individual PAGA Payment will be considered wages from which ordinary tax withholdings will be deducted. No tax deductions shall be made from the remaining Eighty percent (80%) of these payments. You will be given IRS tax forms for each of these amounts. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

C. One hundred percent (100%) of your share of the Individual PAGA Payment will be considered non-wages. You will be given an IRS tax form for this amount.

D. It is important for the parties to have your current address in order to be able to send you other mailings regarding the Action. You should contact the claims administrator to report any change of your address after you receive this Notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

VII. HEARING ON PROPOSED SETTLEMENT

A final hearing will be held before the Court on _____, 2027, at _____ a.m., Department C-72 of the San Diego County Superior Court, located at the Hall of Justice, 330 West Broadway, San Diego, California 92101, to decide whether or not the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you. You are not required to attend the hearing. Sullivan & Yaeckel Law Group, APC (contact information below), counsel for Plaintiff and the Class, will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. Remote appearances at the hearing may be allowed, but the procedures are subject to change. Current procedures are posted on the Court's website at: <https://www.sdcourt.ca.gov/virtualhearings>. You should check the Court website for up-to-date information before attempting to make a remote appearance.

VIII. PROCEDURES FOR OBJECTING TO SETTLEMENT

All Class Members who do not opt-out ("Settlement Class Members") can object to any aspect of the proposed settlement. Settlement Class Members have the option of objecting to the Settlement and telling the Court that you do not agree with the Settlement or some part of it. The Court will consider your views. To object, you may send a letter, which you must sign, saying that you object to the settlement of *Luis Vega v. Mastertouch Brands, LLC, et al.*, Case No. 37-2024-00006540-CU-OE-CTL. Be sure to include the case name and case number (as shown in the preceding sentence), your name, the last four digits of your

Social Security Number and/or your MB employee ID number (if known), your address, the specific reasons you object to the terms of the Settlement, and your signature. Mail the objection to the Settlement Administrator address at [REDACTED] or fax to [REDACTED] on or before [REDACTED], 2026 (30 calendar days after mailing of this Notice, plus an additional 14 days if your class notice is re-mailed). A written objection is optional. You may also appear at the Final Approval Hearing, as described in Section VII, above, to have any objections heard by the Court if you are a Settlement Class Member.

IX. EXAMINATION OF COURT PAPERS AND QUESTIONS

This Notice summarizes the Settlement. For more detailed information, you may view a complete copy of the settlement agreement, and any papers filed in the Action, which are on file with the Clerk of the Court, case number 37-2024-00006540-CU-OE-CTL. The pleadings and all other records from this litigation may be examined by inspecting the Court file in the at the filing department of the San Diego County Superior Court, located at Hall of Justice, 330 West Broadway, San Diego, California 92101. You may also review the settlement agreement, along with other court records regarding this case, on the Court's website, <https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords>, through the link to the "Register of Actions."

If you have any questions, you can call the Claims Administrator at [REDACTED] or any of Class Counsel (see below for phone numbers.)

ATTORNEYS REPRESENTING PLAINTIFF AND THE CLASS

SULLIVAN & YAECKEL LAW GROUP, APC

Eric K. Yaeckel
Cody D. Archer
2330 Third Avenue
San Diego, California 92101
(619) 702-6760 | (619) 702-6761 FAX

ATTORNEYS REPRESENTING DEFENDANT MASTERTOUCH BRANDS L.L.C

PETTIT KOHN INGRASSIA LUTZ & DOLIN PC

Shannon R. Finley
Jackson A. Sullivan
11622 El Camino Real Suite 300
San Diego, CA 92130
Tel: (858) 755-8500; Fax: (858) 755-8504

PLEASE DO NOT CALL THE COURT REGARDING THIS SETTLEMENT.