

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Settlement”) is made and entered into between Plaintiff Alula Negus (“Plaintiff”), acting in a private attorney general capacity, and Defendant KashaCo, Inc. and K & R Corporation (“Defendants”) (together with Plaintiff, the “Parties”).

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” means the matter titled *Alula Negus v. KashaCo, et al.*, to be filed in Los Angeles County Superior Court.

2. “Aggrieved Employees” consist of all non-exempt employees who worked for Defendants in California at any time during the PAGA Period.

3. “Defendants” mean Defendant KashaCo, Inc. and K & R Corporation.

4. “Settlement Administrator” means Phoenix Settlement Administrators.

5. “Complaint” means the operative Representative PAGA Complaint to be filed in the Action.

6. “Court” means the Superior Court of California for the County of Los Angeles.

7. “Individual PAGA Payment” means the amount to be paid to each Aggrieved Employee based on the formula described herein.

8. “LWDA” means the California Labor and Workforce Development Agency.

9. “Gross Settlement Amount” is the non-reversionary sum of One Hundred Thirty-Nine Thousand Five Hundred Dollars and Zero Cents (\$139,500), which represents the total amount payable under this Settlement Agreement by Defendants (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff’s Counsel’s attorneys’ fees and costs, payment of Plaintiff’s service payment, and payment to the Settlement Administrator for administration costs.

10. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff’s Counsel’s attorneys’ fees up to one third of the Gross Settlement Amount, currently estimated at \$46,495.35; (b) Plaintiff’s Counsel’s costs up to \$15,000.00; (c) Plaintiff’s enhancement payment up to \$5,000.00; and (d) administration costs up to \$4,500.00.

11. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

12. “PAGA Period” means the time period from November 15, 2022 through February 1, 2025.

13. “PAGA Released Claims” mean all claims for statutory penalties under the California Private Attorneys General Act, California Labor Code § 2698, *et. seq.* (“PAGA”) that could have been sought by the State of California Labor Commissioner for the violations identified in Plaintiff’s Complaint and/or in his pre-filing notice letter filed with the LWDA (“Released Claims”).

14. “Parties” means, collectively, Plaintiff and Defendants.

15. “Plaintiff’s Counsel” means Neil M. Larsen and Jennifer S. Rivera of Abramson Labor Group.

16. “Released Parties” means Defendants and its former, present, and future owners, parents, and subsidiaries, and all of its current, former and future officers, directors, employees, agents, members, managers, partners, shareholders, joint venturers, successors, assigns, accountants, insurers, or legal representatives.

17. “Effective Date” means the following: (i) if there are no objectors or proposed intervenors who have objected to the Settlement or asserted a right to appeal, then the date the Court approves the Settlement and enters judgment thereon; or (ii) if there are objectors or proposed intervenors who have objected to the Settlement or asserted a right to appeal, then the expiration date for any appeal, without any appeal having been filed, or, if an appeal has been filed, the date after the conclusion of the appellate process (i.e., where the deadline to file any further appeal has passed), with the settlement having been affirmed on appeal or any appeal having been dismissed.

II. RECITALS

1. Plaintiff was employed by Defendants during the PAGA Period, and therefore is an Aggrieved Employee.

2. On or about November 15, 2023, Plaintiff sent a letter to the Labor & Workforce Development Agency and Defendants, articulating claims related to alleged overtime violations, meal period violations, rest period violations, waiting time penalties, wage statement violations, failure to maintain accurate records, and resulting Civil Penalties pursuant to PAGA.

3. The Parties engaged in informal discovery and fully shared the information necessary for all sides to conduct a legitimate investigation into the allegations and potential defenses thereto. The Parties have reached this Settlement only after informal discovery (including a sampling of timekeeping and payroll records) and investigation was performed, meet & confers, and mediation took place before Henry J. Bongiovi, Esq. on March 24, 2025.

5. Defendants dispute and deny any liability or wrongdoing of any kind associated with the claims alleged in this matter. Defendants contend, among other things, that they complied at all times with the local, state, and federal laws, and that the claims alleged in this matter are without merit. Further, Defendants deny Plaintiff, individually and as a representative of the Aggrieved Employees, is owed any wages and/or penalties, as alleged, but does recognize that

litigation will be protracted and expensive. As a result, Defendants have agreed to pay a reasonable amount in order to resolve this matter finally and fully.

6. The Parties believe and agree that this Settlement Agreement provides a fair, adequate, and reasonable resolution of Plaintiff's PAGA claims after doing their own independent investigations and evaluations of the claims alleged in this matter. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation as well as the challenges in evidence as shown through Mediation.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** The Parties agree that this Settlement Agreement is not evidence that the allegations in the Action have any merit, nor does it constitute an admission of any wrongdoing by Defendants. Defendants do not admit to liability or to the suitability of this case for representative litigation other than for purposes of settlement. This Settlement Agreement will not be deemed admissible in any other proceeding or in this proceeding other than to effectuate this Settlement. If the Court does not grant approval of this Settlement, then the Parties revert to their previous positions with respect to the Plaintiff's PAGA claims. However, to the extent the Court does not approve the Settlement, the Parties agree to work together in good faith to amend the Settlement to address any concerns of the Court.

2. **Gross Settlement Amount.** Defendants shall pay One Hundred Thirty-Nine Thousand Five Hundred Dollars and Zero Cents (\$139,500) as the non-reversionary Gross Settlement Amount. Defendants will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). Defendants shall deposit the Gross Settlement Amount into a Qualified Settlement Account set up by the Settlement Administrator and agrees to fund the Settlement within thirty (30) days of the Effective Date.

The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiff's Counsel's attorneys' fees and costs; (3) Plaintiff's service payment; and (4) Settlement administration costs.

3. **Escalator Clause.** Defendants represent that there are approximately 6,200 pay periods worked by Aggrieved Employees in California during the PAGA Period ("Pay Periods") If the actual number of Pay Periods is more than 10% greater than this 6,200 Pay Periods (i.e., if there are 6,821 or more Pay Periods), Defendants shall increase the GSA in proportion to the increase of Pay Periods (e.g., if the number of Pay Periods is 12% greater than 6,200, Defendants will increase the GSA by 2%).

4. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Plaintiff's Attorneys' Fees and Costs.** Defendants will not oppose Plaintiff's request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be \$46,495.35) and costs up to \$15,000.00 incurred in prosecuting this Action. In the

event the Court approves less than these amounts, the difference will be added to the Net Settlement Amount. Defendants, via the Settlement Administrator, will report these payments on an IRS Form 1099 issued to Plaintiff's Counsel.

b. Plaintiff's Enhancement Payment. Defendants will not oppose Plaintiff's request for a service payment of up to \$5,000.00 for serving as the representative plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount. Defendants, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

c. Administration Costs. Defendants will not oppose the Settlement Administrator's costs in the amount up to \$4,500.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendants, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

5. Allocation of Net Settlement Amount. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Lab. Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees *pro rata* based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

a. The Parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

6. PAGA Released Claims. Upon the occurrence of the Effective Date and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon the occurrence of the Effective Date and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties. Aggrieved Employees do not have the right to opt-out of the Settlement.

7. Plaintiff's Release. In addition to the PAGA Released Claims, and in exchange for his service payment, Plaintiff shall release any and all claims, known and unknown, against the Releasees, arising from his employment or termination of employment with Defendant and/or work performed for Defendant, accrued at any time through the date of Plaintiff's execution of this Settlement Agreement, upon Court approval of this Settlement Agreement (including Plaintiff's Service Payment) and the funding of the GSA. In agreeing to this general release, Plaintiff waives the provisions of California Civil Code Section 1542, which provides: "**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**" However, notwithstanding the above, nothing in this release shall be construed as a waiver of any rights that Plaintiff otherwise has under any contract with Defendant, including the right to participate in any of Defendant's benefits programs, including 401(k) or other retirement benefits, stock option programs, or any other employee benefit program. Nor shall this release or anything

else in this agreement be construed to release any claims Plaintiff may have for workers compensation or unemployment benefits, or any other claims that may not be released by law.

8. **Confidentiality.** Except as provided below to the extent necessary to effectuate the Settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement Agreement confidential. In response to any inquiries, Plaintiff will state that "*the matter has been resolved and the resolution is confidential.*" Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the Settlement on any website or through any social media or otherwise publicize the Settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's counsel may reference the Action by name and case number in a declaration establishing adequacy as class or representative counsel.

To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of seeking Court approval of the Settlement, per Labor Code § 2699(1)(2).

9. **Motion for Approval of PAGA Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing and filing the Motion for Approval of the PAGA Settlement.

10. **Termination of Settlement Agreement.** If the Court does not approve the Settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within ten (10) calendar days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement. However, before any Party may invoke the right to terminate the Settlement, the Party shall meet and confer in good faith with the other Parties in an effort to modify the Settlement in order to obtain Court approval. For avoidance of all doubt, the scope and extent of the PAGA Released Claims in Paragraph 6 is a material term of this Settlement Agreement.

11. **Judgment.** As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the occurrence of the Effective Date and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

IV. **ADMINISTRATION OF SETTLEMENT**

1. **Settlement Administrator.** The Parties agree to ask the Court to approve Phoenix Settlement Administrators to handle the administration of this Settlement.

2. **Provision of Information for Aggrieved Employees.** Within five (5) business days after the Effective Date, Defendants shall provide the Settlement Administrator with information for Aggrieved Employees. Defendants will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, dates of employment or number of Affected Pay Periods worked during the PAGA Period, and Social Security numbers to the extent available from Defendant's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within 7 calendar days of receiving the Aggrieved Employees' information from Defendants, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee, Aggrieved Employee's Pay Period Information, and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendant's Counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed 100% penalties and reported using IRS Form 1099, with no withholdings taken.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check-cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address, and/or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, “Uncashed Checks”), shall escheat to the California State Controller’s Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

5. **Distribution of Payments.** Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to: (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiff’s Counsel for Plaintiff’s Counsel’s Court-approved attorneys’ fees and litigation costs; (4) Plaintiff for the Court-approved service payment; and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement.

6. **Accounting.** Within forty-five (45) calendar days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement.

7. **Tax Consequences.** Neither Plaintiff nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Drafting.** The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm’s-length negotiations between the Parties and that neither Party shall be considered the “drafter” of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs and attorneys’ fees incurred in connection with this Settlement Agreement, the Action, and Plaintiff’s claims, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in California, and all questions of validity, interpretation, or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the Los Angeles County Superior Court. The prevailing party in any motion or other legal action to enforce this Settlement Agreement shall be entitled to recover his/her/its reasonable attorneys’ fees and costs incurred in connection with such legal action.

5. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that

this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Judgment and Continued Jurisdiction.** As noted above, after approval of this Settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

7. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties, and subject to any necessary Court approval.

8. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement.

9. **Execution and Counterparts.** This Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument.

10. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action, and have arrived at this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

11. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

12. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

13. **Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.

14. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

15. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

Dated: May 7th, 2025


Alula Negus (May 7, 2025 12:37 PDT)

Alula Negus, Plaintiff

KASHACO, INC.

Dated: _____, 2025

By: _____

Its: _____

K & R CORPORATION

Dated: _____, 2025

By: _____

Its: _____

APPROVED AS TO FORM:

Dated: May 7, 2025

ABRAMSON LABOR GROUP

By: Neil Larsen

Neil M. Larsen

Attorneys for Plaintiff

Dated: _____, 2025

**OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.**

By: _____

Steven T. Mannix

Attorneys for Defendants

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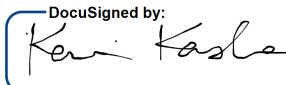
IN WITNESS THEREOF, the Parties each acknowledge that he/she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

Dated: _____, 2025

Alula Negus, Plaintiff

KASHACO, INC.

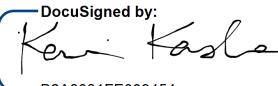
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By: Kevin Kasha
Its: President

K & R CORPORATION

Dated: 13-May-2025, 2025

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By: Kevin Kasha
Its: President

APPROVED AS TO FORM:

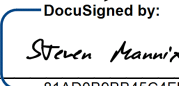
Dated: _____, 2025

ABRAMSON LABOR GROUP

By: _____
Neil M. Larsen
Attorneys for Plaintiff

Dated: 13-May-2025, 2025

OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.

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By: Steven T. Mannix
Attorneys for Defendants

EXHIBIT A

Re: Payment from Alula Negus v. KashaCo, et al.

Superior Court of California for the County of Los Angeles; Case No. [REDACTED]

Date: [REDACTED]/[REDACTED]/2025

SIMID
Name
Address

Dear **Name:**

Enclosed, please find a check made payable to you. This is your payment from the settlement of the lawsuit titled *Alula Negus v. KashaCo, et al.*, Case No. [REDACTED], pending in the Superior Court of the State of California for the County of Los Angeles (the “Action”).

The Action was filed against Defendants KashaCo, Inc. and K & R Corporation (“Defendants”) and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). The Action was brought by Plaintiff Alula Negus (“Plaintiff”), who is a former employee of Defendants, on behalf of the State of California and other alleged Aggrieved Employees. You have been identified as one of the employees on whose behalf the case was brought.

Plaintiff claimed that Defendants owed civil penalties under PAGA for alleged violations of the California Labor Code. The Parties have reached a settlement of Plaintiff’s claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California’s Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Defendants who were allegedly affected by the alleged violations of the Labor Code. In agreeing to this settlement, Defendants does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code or any penalties. The Court has not decided the merits of Plaintiff’s claims.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims for statutory penalties under the California Private Attorneys General Act, California Labor Code § 2698, *et. seq.* (“PAGA”) that could have been sought by the State of California Labor Commissioner for the violations identified in Plaintiff’s Complaint and/or in his pre-filing notice letter filed with the LWDA, during the time period November 1, 2022 to February 1, 2025 (the “PAGA Period”).

If you have any questions, you can contact Phoenix Settlement Administrators, the Settlement Administrator, at 1-[REDACTED]-[REDACTED].