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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

ELLIOTT MORALES, and individual, on behalf of
himself and all others similarly situated;

Plaintiff,

vs.

LOCKWOOD INDUSTRIES LLC
DBA FRALOCK, a California Limited Liability
Company, FRALOCK LLC, a Delaware Limited
Liability Company, and DOES 1 through 50,
inclusive;

Defendants.

CASE NO. 23STCV27759

*[Assigned for all purposes to the
Hon. Stuart M. Rice, Dept. 1]*

**JOINT STIPULATION OF CLASS
SETTLEMENT AND RELEASE**

Complaint Filed: November 9, 2023
Trial Date: Not Set

STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

IT IS HEREBY STIPULATED, by and between Plaintiff ELLIOTT MORALES, on behalf of himself and the Settlement Class Members, on the one hand, and Defendants LOCKWOOD INDUSTRIES LLC and FRALOCK LLC (“Defendants” and “Lockwood”), on the other hand, and subject to the approval of the Court, that the above-captioned lawsuit is hereby being compromised and settled pursuant to the terms and conditions set forth herein (the “Stipulation” or “Agreement”).

1. DEFINITIONS

Unless otherwise defined herein, initial capitalized terms used in this Agreement shall have the meanings set forth below:

1.1 “Class Counsel” means Martin E. Sullivan, Esq. of Sullivan Employment Law, P.C.

1.2 “Class Counsel Award” means attorneys’ fees for Class Counsel’s litigation and resolution of this Lawsuit not to exceed one third (1/3) of the Gross Settlement Amount, subject to Court approval. The Court shall review the requested amount of the Class Counsel Award, and the approved amount shall be paid from the Gross Settlement Amount. Any portion of the requested Class Counsel Award that is not awarded to Class Counsel shall be retained within the Gross Settlement Amount and distributed to Class Members as provided in this Agreement.

1.3 “Class Counsel Costs” means expenses and costs incurred by Class Counsel for Class Counsel’s litigation and resolution of this Lawsuit not to exceed Twenty-Five Thousand Dollars (\$25,000). The Court shall determine the amount of the Class Counsel Costs, and it shall be paid from the Gross Settlement Amount. Any portion of the requested Class Counsel Costs that is not awarded to Class Counsel shall be retained within the Gross Settlement Amount and distributed to Class Members as provided in this Agreement.

1.4 The Class is defined as all individuals who are or were employed by Defendants as non-exempt employees in California during the Class Period who have not previously signed a general release” (the “Class” and “Class Members”).

1.5 “Class Information” means information regarding Settlement Class Members that Defendants will in good faith compile from its records and provide to the Settlement Administrator.

1 Class Information shall be provided as a password-protected, Microsoft Excel spreadsheet and shall
2 include each Settlement Class Member's: (a) full name; (b) last known address; (d) Social Security
3 Number; (g) the Compensable Workweeks (as defined below); and (h) the PAGA Compensable Pay
4 Periods (as defined below). Because Social Security Numbers and other private information are
5 included in the Class Information, the Settlement Administrator shall maintain the Class Information in
6 confidence, it shall be transmitted in password-protected file(s), and access shall be limited to those with
7 a need to use the Class Information as part of the administration of the Settlement.

8 1.6 "Class Period" means the period of November 13, 2019 to May 13, 2025.

9 1.7 "Class Representative" means Plaintiff Elliott Morales.

10 1.8 "Class Representative Service Award" means the amount approved by the Court to be
11 paid to the Class Representative in recognition of his efforts and time as Class Representative, and in
12 consideration for his execution of a comprehensive general release and a Civil Code section 1542 waiver
13 of all claims relating to or arising from his employment with Defendants or its termination, and a
14 comprehensive general release and a Civil Code section 1542 waiver of the Class Representative's
15 Released Claims alleged in, relating to, or arising from this Lawsuit. The Class Representative Service
16 Award shall not exceed Ten Thousand Dollars (\$10,000), and it shall be paid from the Gross Settlement
17 Amount. Defendants do not and will not object to a Class Representative Service Award in the amount
18 of Ten Thousand Dollars (\$10,000). Any portion of the requested Class Representative Service Award
19 that is not awarded to Plaintiff shall be retained within the Gross Settlement Amount and be distributed
20 to Class Members as provided in this Agreement.

21 1.9 Compensation Calculations for Class:

22 1.9.1 "Compensable Workweeks" means all weeks in which Participating Class
23 Members worked for Defendants during the Class Period.

24 1.10 Compensation Calculations for PAGA:

25 1.10.1 "PAGA Compensable Pay Periods" means all pay periods in which the
26 "Aggrieved Employees" worked for Defendants during the PAGA Period.

27 1.11 "Court" shall mean the California Superior Court for the County of Los Angeles.

1.12 “Defendants” means Lockwood Industries LLC and Fralock LLC.

1.13 “Defense Counsel” or “Counsel for Defendant” shall mean the law firm of Lewitt Hackman, including the attorneys Sue M. Bendavid, Esq. and Nicholas Kanter, Esq.

1.14 “Effective Date” means the date on which the settlement embodied in this Agreement will become effective, which is sixty (60) days after the occurrence of the later of the following events: (a) the Court has granted both Preliminary Approval and Final Approval of the Settlement, and has entered Final Judgement in the Lawsuit; and (i) the time for appeal from the Court’s Final Approval Order and Judgment has expired (with no appeal having been filed); or (ii) if an appeal has been filed in connection with the Final Approval Order and/or Judgment, the date on which the appeal is dismissed or withdrawn or after final affirmation of the Final Approval Order and/or Final Judgment on appeal, whichever is latest.

1.15 “Estimated Individual Settlement Payment(s)” means the estimated amount payable to each Participating Class Member, as calculated pursuant to Paragraph 3.13.1 herein.

1.16 “Final Approval Hearing” means the hearing held on the motion for final approval of the Settlement.

1.17 “Final Judgment” means the Court’s entry of an order of judgment in this Lawsuit following the Court’s final approval of the Settlement.

1.18 “Individual Settlement Payment” means the amount payable to each Participating Class Member. The amount of the Individual Settlement Payment shall be calculated pursuant to Paragraph 3.13.1 herein.

1.19 “Lawsuit” means the wage-and-hour class action and PAGA representative action entitled *Elliott Morales, et al. v. Lockwood Industries, LLC, et al.*, now pending in the Los Angeles County Superior Court of California and designated as Case No. 23STCV27759.

1.20 “LWDA PAGA Allocation” means up to Seven Thousand Five Hundred Dollars (\$7,500.00), representing 75% of the PAGA Allocation, paid from the Gross Settlement Amount, as the payment required for settlement of any claims under the California Private Attorneys General Act. The LWDA PAGA Allocation shall be paid, upon Court Approval, to the State of California’s Labor

1 Workforce Development Agency (“LWDA”).

2 1.21 “Gross Settlement Amount” means the non-reversionary gross of Three Hundred Eighty
3 Thousand Dollars and 0/100 (\$380,000.00). The Parties intend that the claims of all Participating Class
4 Members are settled for no more than the Gross Settlement Amount, inclusive of attorneys’ fees, costs,
5 and expenses directly related to the Lawsuit (which includes all fees and costs incurred to date, as well
6 as all fees and costs incurred in documenting the settlement, providing any notices required as part of
7 the settlement, securing court approval of the settlement including any and all motions related thereto,
8 administering the settlement, and obtaining a judgment in the action), Class Representative Service
9 Award, the PAGA Allocation, all costs of administration, including Settlement Administration fees and
10 all other sums attributable to the settlement, excluding employer-side payroll taxes on the wage portion
11 of the settlement. This settlement does not establish a fund from which claims will be paid, within the
12 meaning of California Code of Civil Procedure section 384.

13 1.22 “Net Settlement Amount” means the amount of monies available for distribution to
14 Participating Class Members who do not opt-out of the Settlement, determined by taking the Gross
15 Settlement Amount and subtracting amounts for Court-approved Class Counsel Award and Class
16 Counsel Costs, the PAGA Allocation, the Class Representative Service Award, the costs of settlement
17 administration and any other sums attributable to the settlement, excluding employer-side payroll taxes
18 on the wage portion of the settlement. The Net Settlement Amount shall be allocated and distributed in
19 its entirety to Participating Class Members.

20 1.23 “Notice of Settlement” means the Notice of Class Action Settlement (substantially in the
21 form attached hereto as **Attachment 1**), which includes an estimated settlement share for each member
22 of the Class. The Class Action Settlement Notice shall be in English and Spanish.

23 1.24 “PAGA” means the California Private Attorneys General Act, California Labor Code
24 section 2698, *et seq.*

25 1.25 “PAGA Period” means the time period of November 13, 2022 through May 13, 2025.

26 1.26 “PAGA Aggrieved Employee(s)” and “Aggrieved Employee(s)” mean any and all
27 individuals who Defendants employed as a non-exempt employee for Defendants during the PAGA
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1 Period. All Aggrieved Employees are also Class Members and therefore, to the extent Class Members
2 are referenced herein, it includes Aggrieved Employees.

3 1.27 “PAGA Allocation” means up to Ten Thousand Dollars (\$10,000) allocated from the
4 Gross Settlement Amount for the compromise of claims brought under the PAGA. Per California Labor
5 Code section 2699(i) (prior to PAGA amendment), Seven Thousand Five Hundred Dollars (\$7,500.00),
6 representing 75% of the PAGA Allocation, will be paid to the California’s Labor Workforce
7 Development Agency. The remaining Two Thousand Five Hundred Dollars (\$2,500.00), or any lesser
8 amount ordered by the Court, representing 25% of the PAGA Allocation, will be distributed to PAGA
9 Aggrieved Employees as set forth in Paragraph 3.14.

10 1.28 “PAGA Settlement Amount” means 25% of the PAGA Aggrieved Employees (Two
11 Thousand Five Hundred Dollars (\$2,500), which will be distributed to PAGA Aggrieved Employees as
12 described in Paragraphs 3.14 and 3.14.1.

13 1.29 “PAGA Penalties Payment” means the amount payable to each PAGA Aggrieved
14 Employee for the release of the PAGA Aggrieved Employee’s Released PAGA Claims, regardless of
15 whether the PAGA Aggrieved Employee objects, opts out or otherwise requests exclusion from the
16 Released Statutory Claims. The amount of the PAGA Penalties Payment shall be calculated pursuant
17 to Paragraphs 3.14 and 3.14.1 herein.

18 1.30 “Participating Class Member” means Class Members that do not submit a valid and
19 timely Request for Exclusion.

20 1.31 “Parties” means Plaintiff and Defendants, and “Party” shall mean either Plaintiff or
21 Defendants, respectively.

22 1.32 “Plaintiff” means Elliott Morales.

23 1.33 “Preliminary Approval” or “Preliminary Approval Date” means the date the Court enters
24 the Preliminary Approval Order.

25 1.34 “Preliminary Approval Order” means the Order granting preliminary approval of the
26 settlement.

27 1.35 “Released PAGA Claims” means all claims for penalties, fees, and costs pursuant to the
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PAGA for violations of the California Labor Code and/or the California Industrial Welfare Commission Wage Orders set forth in the operative complaint and/or the PAGA Claim Notice Plaintiff submitted to the LWDA on November 13, 2023 (the “PAGA Notice”), or which could have been set forth in the operative complaint based upon the facts alleged therein, including but not limited to, Sections 201, 202, 203, 204, 210, 218, 218.5, 226, 226.3, 226.7, 227.3, 232, 232.5, 510, 512, 558, 558.1, 1102.5, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2804, that arose during the PAGA Period.

1.36 “Released Statutory Claims” means those claims which are pled or could have been plead based on the factual allegations in the operative complaint and/or the PAGA Notice, which arose during the Class Period, including, but not limited to, claims for: (1) Failure to Pay All Minimum Wages; (2) Failure to Pay All Overtime Wages; (3) Failure to Provide Rest Periods and Pay Missed Rest Period Premiums; (4) Failure to Provide Meal Periods and Pay Missed Meal Period Premiums; (5) Failure to Maintain Accurate Employment Records; (6) Failure to Pay Wages Timely During Employment; (7) Failure to Pay All Wages Earned and Unpaid at Separation; (8) Failure to Indemnify and Reimburse for Necessary Business Expenditures; (9) Failure to Furnish Accurate Itemized Wage Statements; (10) Violations of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210), (11) Failure to Pay Accrued Vacation Pay, and (12) all claims for damages, liquidated damages, penalties, interest, fees, costs based on the foregoing. These Released Statutory Claims are identified under California Labor Code §§ 201, 202, 203, 204, 210, 218, 218.5, 226, 226.3, 226.7, 227.3, 232, 232.5, 510, 512, 558, 558.1, 1102.5, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2804, IWC Wage Order No. 1-2001, and UCL violations pursuant to Cal. Bus. & Prof. Code §17200 et seq.

1.37 “Released Parties” means Defendants Lockwood Industries LLC and Fralock LLC, and all of their former and present employees, shareholders, officers, directors, managers, agents, attorneys, insurance carriers, parents, subsidiaries, divisions, partnerships, investors, or affiliated organizations, entities, partnerships, or corporations whether previously or hereafter affiliated in any manner, and the respective predecessors, successors and assigns of all of the foregoing.

1.38 “Request for Exclusion” means a written and signed request by a Class Member to be

1 excluded from the Settlement that is submitted in accordance with the procedure set forth herein, also
2 known as an “opt-out request.”

3 1.39 “Response Deadline” means the date forty-five (45) days after the Settlement
4 Administrator mails the Class Action Settlement Notice to the Class Members and the last date on which
5 Settlement Class Members may: (a) postmark, fax, or email Requests for Exclusion; or (b) serve
6 Objections to the Settlement.

7 1.40 “Settlement” means the disposition of the Lawsuit pursuant to this Agreement.

8 1.41 “Settlement Account” means the account established pursuant to the terms of this
9 Stipulation from which all monies payable under the terms of this Settlement shall be paid, as set forth
10 herein.

11 1.42 “Settlement Administrator” means ILYM Group, Inc., XPand Legal Consulting LLC, or
12 CPT Group, Inc.

13 1.43 “Settlement Administration Costs” means the amount to be paid to the Settlement
14 Administrator from the Gross Settlement Amount for the administration of the Settlement, for all current
15 and formerly employed Settlement Class Members. The Settlement Administration Costs amount is
16 presently estimated not to exceed Twelve Thousand Dollars (\$12,000.00).

17 2. RECITALS

18 2.1 Description and Procedural Posture of the Litigation.

19 The Lawsuit was initiated on November 13, 2023, by Plaintiff in the form of a letter to the
20 LWDA stating the intent to file a claim under PAGA, and a class complaint filed in the superior court.
21 Plaintiff then filed a First Amended Complaint alleging PAGA violations on February 9, 2024. As part
22 of this settlement, the Parties stipulate that Plaintiff will file an amended LWDA letter and a Second
23 Amended Complaint alleging failure to pay all vacation pay due and owing. The Parties agree that
24 Defendants’ previously filed answer serves as the answer to the Second Amended Complaint.

25 On September 5, 2024, the parties participated in a mediation before Jeffrey Fuchsman, Esq.
26 The mediation was successful, following receipt of a mediator’s proposal. The mediator’s proposal
27 required the Parties to enter into a long form settlement agreement, which is this Joint Stipulation of
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1 Class Settlement and Release.

2 2.2 Certification of the Settlement Class. The Parties stipulate and agree to the certification
3 of this Lawsuit for purposes of this Settlement only. Should the Settlement not become final and
4 effective as herein provided, class certification shall immediately and automatically be set aside (subject
5 to further proceedings on motion of any party to certify or deny certification thereafter). The Parties'
6 willingness to stipulate to class certification as part of the Settlement shall have no bearing on, and shall
7 not be admissible in or considered in connection with, the issue of whether a class should be certified in
8 a non-settlement context in this Lawsuit and shall have no bearing on, and shall not be admissible or
9 considered in connection with, the issue of whether a class should be certified in any other lawsuit and/or
10 arbitration.

11 2.3 Benefits of Settlement to Class Members. Plaintiff and Class Counsel recognize the
12 expense and length of continued proceedings necessary to litigate their disputes through trial and through
13 any possible appeals. Plaintiff has also taken into account the uncertainty and risk of the outcome of
14 further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel
15 are also aware of the burdens of proof necessary to establish liability for the claims asserted in the
16 Lawsuit, both generally and in response to Defendants' potential defenses thereto (many of which have
17 been shared during the course of the Parties' settlement negotiations), and potential difficulties in
18 establishing damages and entitlement to monetary recovery for the Settlement Class Members. Plaintiff
19 and Class Counsel have also taken into account Defendants' agreement to enter into a settlement that
20 confers substantial relief upon Settlement Class Members based on the terms set forth herein. Based on
21 the foregoing, Plaintiff and Class Counsel have determined that the Settlement set forth in this
22 Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Settlement
23 Class Members.

24 2.4 Defendants' Reasons for Settlement. Despite continuing to contend that they are not
25 liable for any of the claims set forth by Plaintiff in the Lawsuit, Defendants have, nonetheless, agreed to
26 settle in the manner and upon the terms set forth in this Agreement to put to rest the claims as set forth
27 in the Lawsuit. Defendants have concluded that any further defense of this litigation would be protracted
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1 and expensive for all Parties. Substantial amounts of time, energy, and resources of Defendants have
2 been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted
3 by Plaintiff. Defendants have also taken into account the risks of further litigation in reaching its
4 decision to enter into this Settlement.

5 2.5 Settlement Class Members' Claims. Settlement Class Members have claimed and
6 continue to claim that the Released Statutory Claims and Released PAGA Claims have merit and give
7 rise to liability on the part of Defendants. This Agreement is a compromise of disputed claims. Nothing
8 contained in this Agreement (and exhibits/attachments hereto) and no documents referred to herein and
9 no action taken to carry out this Agreement may be construed or used as an admission by or against the
10 Settlement Class Members or Class Counsel as to the merits or lack thereof of the claims asserted.

11 2.6 Defendants' Defenses. Defendants have claimed and continue to claim that the Released
12 Statutory Claims and Released PAGA Claims have no merit and do not give rise to liability. This
13 Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents
14 referred to herein and no action taken to carry out this Agreement may be construed or used as an
15 admission by or against Defendants as to the merits or lack thereof of the claims asserted.

16 2.7 Gross Amount Payable by Defendants. Under the terms of this Settlement, the gross
17 amount payable by Defendants shall not exceed the Gross Settlement Amount of Three Hundred Eighty
18 Thousand Dollars and 0/100 (\$380,000.00), plus any employer-side payroll taxes. There shall be no
19 other sums paid by Defendants and no reversion to Defendants. There is no prevailing party.

20 **3. TERMS OF AGREEMENT**

21 The Parties agree as follows:

22 3.1 Based upon Defendants' business records, the number of Class Members is estimated to
23 be approximately 294 individuals.

24 3.2 Based upon Defendants' business records, the number of Compensable Workweeks is
25 forecasted to be approximately 33,630 on May 13, 2025.

26 3.3 Releases Given by Plaintiff and the Settlement Class.

27 3.3.1 As To All Participating Class Members. As of the Effective Date, all
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1 Participating Class Members release the Released Parties from the Released Statutory Claims for the
2 Class Period.

3 3.3.2 PAGA Release. The Parties acknowledge and agree that Plaintiff was deputized
4 by the State of California, pursuant to PAGA, to negotiate and compromise the Released PAGA Claims
5 on behalf of any and all “Aggrieved Employees” as defined in Labor Code section 2699(c), subject to
6 the approval procedure set forth in Labor Code section 2699(l). Therefore, as of the Effective Date, all
7 Class Members, including Plaintiff and any other Aggrieved Employees, and the State of California
8 release the Released Parties from the Released PAGA Claims for the PAGA Period.

9 3.3.3 General Release of Claims, Known and Unknown, by Plaintiff. Plaintiff releases
10 and discharges all Released Parties from any and all claims, liabilities, damages, penalties, fees and
11 costs, arising from any act or omission that occurred at any time up through the Effective Date, including
12 but not limited to: Any and all wage-and-hour claims arising under the laws of the State of California,
13 including, without limitation, statutory, constitutional, contractual, and/or common law claims for
14 wages, damages, restitution, unreimbursed expenses, equitable relief, penalties, liquidated damages,
15 and/or punitive damages (including, without limitation, claims under any applicable Industrial Welfare
16 Commission Wage Order, the California Private Attorneys General Act, or any other provision of the
17 California Labor Code); Title VII of the Civil Rights Act of 1964; 42 U.S.C. § 1981; the Americans
18 With Disabilities Act; Sections 503 and 504 of the Rehabilitation Act of 1973; the Family Medical Leave
19 Act; the Fair Labor Standards Act; the Employee Retirement Income Security Act; the Occupational
20 Safety and Health Act; the Worker Adjustment and Retraining Notification Act, as amended; the
21 California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 *et seq.*); the California Fair
22 Employment and Housing Act; the California Government Code; the California Labor Code, any state,
23 civil, or statutory laws, including any and all human rights laws and laws against discrimination; any
24 other federal, state, or local statutes, codes, or ordinances; any common law, contract law, or tort law
25 cause of action; and any claims for interest, attorneys’ fees, and/or costs.

26 Plaintiff expressly waives the protections of California Civil Code section 1542, which reads as
27 follows:
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1 **A general release does not extend to claims that the creditor or releasing**
2 **party does not know or suspect to exist in his or her favor at the time of**
3 **executing the release and that, if known by him or her, would have materially**
4 **affected his or her settlement with the debtor or released party.**

5 3.4 Tax Liability. The Parties make no representations as to the tax treatment or legal effect
6 of the payments called for hereunder, and Class Members are not relying on any statement or
7 representation by the Parties in this regard. Class Members understand and agree that they will be
8 responsible for the payment of any taxes and penalties assessed on the payments described herein.

9 3.5 No Knowledge of Other Claims. Class Counsel and Plaintiff agree and represent that
10 they are not aware of any claim that could have been brought against Defendants by any person or entity,
11 other than the claims that were alleged or could have been alleged in the Lawsuit or could have been
12 alleged based on the facts alleged in the Lawsuit or arising out of the circumstances giving rise to the
13 Lawsuit.

14 3.6 Settlement Approval and Implementation Procedures. As part of this Settlement, the
15 Parties agree to the following procedures for obtaining the Court's preliminary approval of the
16 Settlement, certifying a Settlement Class, notifying Settlement Class Members of the Settlement,
17 obtaining the Court's final approval of the Settlement, and processing the Individual Settlement
18 Payments and PAGA Penalties Payments.

19 3.6.1 Preliminary Approval and Certification. Plaintiff will submit this Stipulation to
20 the Court for its preliminary approval, without objection from Defendants. Such submission will include
21 this Agreement, the proposed Class Action Settlement Notice, and any motions, memoranda and
22 evidence as may be necessary for the Court to determine that this Agreement is fair, adequate, and
23 reasonable. The Parties agree to request the Court to enter an order approving the certification of a
24 provisional Settlement Class after the preliminary approval hearing in accordance with California Rules
25 of Court, Rule 3.769(c).

26 3.6.2 Class Information. No more than twenty (20) business days after the entry of the
27 Preliminary Approval Order, Defendants shall provide the Settlement Administrator with the Class
28 Information for purposes of mailing Class Action Settlement Notices to Class Members.

 3.6.3 Efforts to Locate Class Members. The Parties agree that locating and contacting

1 Class Members who are former employees of Defendants are an important and material aspect of the
2 Settlement. To further the Parties' efforts to locate Class Members, the Parties agree that, upon receipt
3 of the Class Information, the Settlement Administrator will utilize the best practicable means available
4 for purposes of verifying and/or updating the current address and telephone numbers for all formerly
5 employed Class Members. The address(es) identified by the Settlement Administrator as the current
6 mailing address shall be presumed to be the best mailing address for each Class Member. The cost of
7 diligently attempting to find the best contact information of the Class Members shall be included in the
8 Settlement Administration Costs and Defendants shall not, under any circumstances, be required to pay
9 any additional funds for the investigatory duties to be performed by the Settlement Administrator.

10 3.6.4 Notice By First Class U.S. Mail. No more than ten (10) calendar days after
11 receiving the Class Information from Defendants as provided herein, the Settlement Administrator shall
12 mail copies of the Class Action Settlement Notice to all Settlement Class Members by regular First-
13 Class U.S. Mail. It will be conclusively presumed that, if an envelope so mailed has not been returned
14 by the Response Deadline, the Settlement Class Member received the Class Action Settlement Notice.

15 3.6.5 Undeliverable Notices. Any Class Action Settlement Notices returned to the
16 Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the
17 forwarding address affixed thereto, if any. If no forwarding address is provided, the Settlement
18 Administrator shall make any further reasonable efforts to obtain an updated mailing address within five
19 (5) business days of the date of the return of the Class Action Settlement Notice. If an updated mailing
20 address is identified, the Settlement Administrator shall resend the Class Action Settlement Notice to
21 the Class Member. Class Members to whom Class Action Settlement Notices are resent after having
22 been returned undeliverable to the Settlement Administrator shall have fourteen (14) calendar days
23 thereafter or until the Response Deadline has expired, whichever is later, to mail, fax, or email the
24 Request for Exclusion, or serve a Notice of Objection. Class Action Settlement Notices that are resent
25 shall inform the recipient of this adjusted deadline. The date of the postmark on the Request for
26 Exclusion, either based on the date on the return envelope, the date of the fax stamp, or the date of the
27 email transmission, shall be the exclusive means used to determine whether a Class Member has timely
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1 returned his/her Exclusion Form on or before the adjusted deadline. Unless otherwise agreed by the
2 Parties, a Request for Exclusion shall be deemed valid only if it is signed by the Settlement Class
3 Member and postmarked or fax- or email-stamped on or before the adjusted deadline. If a Settlement
4 Class Member's Class Action Settlement Notice is returned to the Settlement Administrator more than
5 once as non-deliverable, then an additional Class Action Settlement Notice shall not be re-mailed.

6 3.6.6 Compliance with the procedures specified in this section shall constitute due and
7 sufficient notice to Settlement Class Members of this Settlement and shall satisfy the requirement of due
8 process. Nothing else shall be required of, or done by, the Parties, Class Counsel, and Defense Counsel
9 to provide notice of the proposed settlement.

10 3.7 Claim Disputes. Class Members will have the opportunity, should they disagree with the
11 Compensable Workweeks, to challenge the number of Compensable Workweeks allocated to the Class
12 Member in the Class Notice. The Class Member may challenge the allocation by communicating with
13 the Settlement Administrator via fax, email or mail. The Settlement Administrator must encourage the
14 challenging Class Member to submit supporting documentation. In the absence of any contrary
15 documentation, the Settlement Administrator is entitled to presume that the Workweeks contained in the
16 Class Action Settlement Notice are correct so long as they are consistent with the Class Data. The
17 Settlement Administrator's determination of each Class Member's allocation of Workweeks shall be
18 final and not appealable or otherwise susceptible to challenge. The Settlement Administrator shall
19 promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel for review
20 and so that Defendant can review and ascertain whether a workweek adjustment is necessary.

21 3.8 Exclusions (Opt-Outs) from Released Statutory Claims. The Class Action Settlement
22 Notice shall state that Class Members who wish to exclude themselves from the Released Statutory
23 Claims must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion: (1)
24 must contain the name, address, telephone number and the last four digits of the Social Security number
25 of the person requesting exclusion, (2) must be signed by the Class Member, and (3) must be postmarked
26 or fax- or email-stamped by the Response Deadline and returned to the Settlement Administrator at the
27 specified address, fax number or email address. If the Request for Exclusion does not contain the
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information listed in (1)-(2), it will not be deemed valid for exclusion from this Settlement. The date of the postmark on the Request for Exclusion, either based on the date on the return mailing envelope, date of the fax stamp, or date of email transmission, shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under the Settlement, except for the PAGA Penalties Payment, and will not be bound by the terms of the Settlement, except for the Released PAGA Claims, or have any right to object, appeal or comment thereon. Class Members who receive a Class Action Settlement Notice but fail to submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and any Final Judgment entered in this Lawsuit if the Settlement is approved by the Court. On a weekly basis and also no later than ten (10) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for Defendants with a complete list of all members of the Class who have timely submitted Requests for Exclusion. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage members of the Class to submit Requests for Exclusion from the Settlement. Any Class Member who submits a valid and timely Request for Exclusion shall forfeit the right to receive an Individual Settlement Payment under this Agreement, the amount of which will be returned to the Gross Settlement Amount to be thereafter re-distributed in accordance with the terms of this Agreement. If more than five percent (5%) of the Class Members submit a Request for Exclusion, Defendants have the option, in their discretion, to rescind this Settlement. In such case, this Settlement shall be void, and the Parties shall be returned to their respective statuses as of the date and time immediately prior to the date of the mediation, and the Parties shall proceed in all respects as if this Agreement had not been executed.

3.9 Objections. The Class Action Settlement Notice shall state that Class Members who wish to object to the Settlement must submit a signed, written statement of objection ("Notice of Objection") by the Response Deadline to the Settlement Administrator. The postmarked date of the mailing or fax or email stamp shall be the exclusive means for determining that a Notice of Objection was served timely. The Notice of Objection must be signed by the Class Member and state: (1) the full name of the Class Member; (2) current address of the Class Member; and (3) the basis for the objection. However,

1 in the discretion of the Court, any Class Member, or person purporting to object on behalf of any Class
2 Member, may be received or considered by the Court at the Final Approval Hearing, regardless of
3 whether a written notice of objection is filed or delivered to the Parties. At no time shall any of the
4 Parties or their counsel seek to solicit or otherwise encourage Class Members to file or serve written
5 objections to the Settlement, or to opt out of the Settlement, or to appeal from the Order and Final
6 Judgment. Class Counsel shall not represent any Class Members with respect to any such objections.

7 3.10 No Solicitation of Settlement Objections or Exclusions. The Parties agree to use their
8 best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel
9 seek to solicit or otherwise encourage Class Members to submit or file objections to the Settlement,
10 Requests for Exclusion from the Settlement, or an appeal from the Court's Final Judgment.

11 3.11 Uncashed Checks. The entirety of the Net Settlement Amount will be paid to
12 Participating Class Members. There is no residual or reversion. This settlement does not contemplate
13 a claims process. As such, all monetary amounts will be claimed and distributed to Participating Class
14 Members. If a Participating Class Member fails to cash their Individual Settlement Payment and/or
15 PAGA Penalties Payment check within One Hundred and Eighty (180) days after the date it is mailed
16 to them, those checks will be voided. The funds from those voided checks shall be transmitted by the
17 Settlement Administrator to the California State Controller Office Unclaimed Property Fund bearing the
18 identifying information and corresponding settlement payment amounts for the Class Members who
19 failed to cash their checks so that they might later be able to claim these settlement proceeds, pursuant
20 to California Code of Civil Procedure section 384. However, if the Court determines that a cy pres is
21 required, the Parties agree to not submit such monies to the State Unclaimed Property Fund and instead
22 shall submit the funds to Bet Tzedek, located at 3250 Wilshire Blvd., 13th Floor, Los Angeles, CA
23 90010.

24 3.12 Funding and Allocation of Settlement. Defendants are required to fund the Gross
25 Settlement Amount of Three Hundred and Eighty Thousand Dollars (\$380,000) to the Settlement
26 Administrator within 60 days after the Effective Date, or by December 31, 2025, whichever is later. The
27 Settlement Administrator shall deposit the funds in the Settlement Account.

1 3.12.1 No more than five (5) business days after the Settlement is fully funded, the
2 Settlement Administrator will provide Defendants with an accounting of all anticipated payments and
3 awards from the Settlement Account. Payments from the Settlement Account shall be made for: (1) the
4 Individual Settlement Payments to Participating Class Members; (2) the PAGA Penalties Payments to
5 Class Members (3) the Class Representative Service Award, as specified in this Agreement and
6 approved by the Court; (3) Class Counsel Award and Costs, as specified in this Agreement and approved
7 by the Court; (4) the Settlement Administration Costs, as specified in this Agreement and approved by
8 the Court; (5) and the LWDA PAGA Allocation, as specified in this Agreement and approved by the
9 Court.

10 3.13 Individual Settlement Payments. Individual Settlement Payments shall be paid pursuant
11 to the formula set forth in Paragraph 3.13.1 herein. Individual Settlement Payments shall be mailed by
12 regular First-Class U.S. Mail to Participating Class Members' last known mailing address within ten
13 (10) business days after the funding of the Settlement is completed. Individual Settlement Payments
14 reflect settlement of a dispute regarding wages and interest/penalties. Individual Settlement Payments
15 will be made as follows: twenty (20) percent as wages (a W-2 will be issued), and eighty (80) percent
16 as interest and penalties (a 1099 will be issued). The "wage" portion of each Individual Settlement
17 Payment will be reduced by any legally mandated deductions for payroll taxes or other required
18 employee-side withholdings. However, should the Court determine that a higher allocation to wages be
19 required from the Gross Settlement Amount, this reallocation shall not be a valid basis for Defendants
20 to rescind the Settlement, which shall remain legally binding and enforceable on the Parties. Defendants
21 shall be responsible for funding any employer-related payroll taxes, which the Settlement Administrator
22 will calculate and transmit to the appropriate governmental agencies. The Settlement Administrator
23 shall issue the appropriate tax documents associated with the Individual Settlement Payments, including
24 an IRS Form W-2 for the amounts allocated as "wages" and an IRS Form 1099 for the amounts allocated
25 as "interest/penalties."

26 3.13.1 Calculation of Individual Settlement Payments. The Individual Settlement
27 Payments payable to each Participating Class Member shall be determined as follows:
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3.13.1.1 “Total Compensable Workweeks” is the sum of all workweeks that Participating Class Members worked for Defendants during the Class Period.

3.13.1.2 The dollars per compensable workweek (“Class Workweek Value”) will be calculated by dividing the Net Settlement Amount by the Total Compensable Workweeks. The Class Workweek Value will be multiplied by each Participating Class Member’s number of Compensable Workweeks worked as a member of the Class during the Class Period to determine the distribution, prior to legal deductions, for that Participating Class Member.

3.13.1.3 Individual Settlement Payments for Participating Class Members will be reduced by any required legal deductions for each Class Member.

3.14 PAGA Penalties Payments. PAGA Penalties Payments shall be paid pursuant to the formula set forth in Paragraph 3.14.1 herein. PAGA Penalties Payments shall be mailed by regular First-Class U.S. Mail to PAGA Aggrieved Employees’ last known mailing address within ten (10) business days after the funding of the Settlement is completed. The PAGA Penalties Payments are considered to be penalties and will be paid out without reduction for any taxes or other withholdings, and will be reported on an IRS Form 1099 (if required). The Settlement Administrator shall issue the appropriate tax documents associated with the PAGA Penalties Payments.

3.14.1 Calculation of PAGA Penalties Payments. The PAGA Penalties Payments payable to each Aggrieved Employee shall be determined as follows:

Compensable Pay Periods will be the sum of all pay periods in which Aggrieved Employees worked at Defendants during the PAGA Period. The dollars per Compensable Pay Period (“Pay Period Value”) will be calculated by dividing the PAGA Settlement Amount by the total Compensable Pay Periods. The Pay Period Value will be multiplied by the number of Compensable Pay Periods worked by each Aggrieved Employee during the PAGA Period to determine the distribution for that Aggrieved Employee.

3.15 Except for the Class Representative’s Service Award payable to the Class Representative

1 Settlement Class Members are not eligible to receive any compensation other than an Individual
2 Settlement Payment and PAGA Penalties Payment. Any checks issued to Class Members shall remain
3 valid and negotiable for one hundred eighty (180) days from the date of their issuance. After that time,
4 the total amount of any individual unclaimed checks shall be distributed pursuant to this Agreement.
5 No benefit, including but not limited to 401(k), shall increase or accrue as a result of any payment made
6 as a result of this settlement.

7 3.16 Class Representative Service Award. Class Counsel presently intends to seek a Class
8 Representative Service Award for Plaintiff in an amount not to exceed Ten Thousand Dollars
9 (\$10,000.00), or such lesser amount as may be approved by the Court, for service and assistance to the
10 Class. Any amount of the requested Class Representative Service Award that is not awarded by the
11 Court shall be included in the Net Settlement Amount. The Class Representative Service Award is
12 intended as consideration for the general releases provided by the Plaintiff herein and Civil Code Section
13 1542 waiver,, and for the time, effort, risk, and burden of bringing and prosecuting this matter. The
14 Class Representative Service Award shall be paid to Plaintiff from the Gross Settlement Amount no
15 later than ten (10) business days after funding of the Settlement is completed. The Settlement
16 Administrator shall issue an IRS Form 1099-MISC to Plaintiff for his Class Representative Service
17 Award. The Class Representative Service Award shall be in addition to Plaintiff's Individual Settlement
18 Payment and PAGA Penalties Payment. In the event that the Court awards less than the requested
19 amount of the Class Representative Service Award, then any portion of the requested amount not
20 awarded to any Plaintiff shall be included in the Net Settlement Amount before it is distributed as
21 provided in this Agreement. In the event the Court reduces or does not approve the requested Class
22 Representative Service Award, Plaintiff shall not have the right to revoke his agreement to the
23 Settlement, which shall remain legally binding and enforceable on the Class Representative, the Parties,
24 the PAGA Aggrieved Employee(s), and all Participating Class Members.

25 3.17 Class Counsel Award and Costs. Class Counsel presently intends to seek an award for
26 attorneys' fees not to exceed one third (1/3) of the Gross Settlement Amount or One Hundred Twenty-
27 Six Thousand Six Hundred and Sixty-Six Dollars and Sixty-Six Cents (\$126,666.66), and Class Counsel
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Costs not to exceed Twenty-Five Thousand Dollars (\$25,000.00), as supported by declarations from Class Counsel, from the Gross Settlement Amount. Class Counsel shall be paid any Court-approved fees and costs no later than ten (10) business days after the Settlement is fully funded. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099-MISC to Class Counsel for the payments made pursuant to this paragraph. This Settlement is not contingent upon the Court awarding Class Counsel any particular amount in attorneys' fees and costs. In the event the Court reduces or does not approve the requested Class Counsel Award and/or Class Counsel Costs, the Settlement shall remain legally binding and enforceable on Class Representative, the Parties, the PAGA Aggrieved Employee(s), and all Class Members. Any amount requested by Class Counsel for the Class Counsel Award and Class Counsel Costs and not granted by the Court shall be included in the Net Settlement Amount before it is distributed as provided in this Agreement.

3.18 LWDA PAGA Allocation. Subject to Court approval, the Parties shall allocate a total of Ten Thousand Dollars (\$10,000.00) for the PAGA claims from the Gross Settlement Amount, with \$7,500.00 representing seventy-five (75) percent of this PAGA Allocation for payment to the California LWDA for the compromise of claims brought under the Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (prior to amendment). The Parties agree that the LWDA PAGA Allocation shall be paid to the State of California's Labor and Workforce Development Agency from the Gross Settlement Amount by the Settlement Administrator no later than ten (10) business days after the Settlement is fully funded. It is intended by the Parties that the LWDA PAGA Allocation shall satisfy the distribution requirements of Cal. Lab. Code § 2698 *et seq.* If the Court awards a lesser amount for the PAGA Allocation, then the LWDA PAGA Allocation shall be adjusted to seventy-five (75) percent of the Court-approved amount and any remaining portion shall be distributed to Settlement Class Members as provided in this Agreement. In the event the Court reduces the requested PAGA Penalties Payments or the LWDA PAGA Allocation, the Settlement shall remain legally binding and enforceable on Class Representative, the Parties, the PAGA Aggrieved Employee(s), all Participating Class Members, and the LWDA.

1 3.19 Settlement Administration Costs. The Settlement Administrator shall be paid for the
2 costs of administration of the Settlement from the Gross Settlement Amount. Such costs of
3 administration are not to exceed twelve thousand dollars (\$12,000.00). No fewer than thirty (30) days
4 prior to the Final Approval Hearing, the Settlement Administrator shall provide the Parties with a
5 statement detailing the costs of administration and declaration of due diligence and proof of mailing.
6 The Settlement Administrator, on Defendants' behalf, shall have the authority and obligation to make
7 payments, credits and disbursements, including payments and credits in the manner set forth herein, to
8 Settlement Class Members calculated in accordance with the methodology set out in this Agreement and
9 orders of the Court. The Parties agree to cooperate in the Settlement Administration process and to
10 make all reasonable efforts to control and minimize the cost and expenses incurred in administration of
11 the Settlement. The Parties each represent they do not have any financial interest in the Settlement
12 Administrator or otherwise have a relationship with the Settlement Administrator that could create a
13 conflict of interest. The Settlement Administrator shall be responsible for: processing and mailing
14 payments to the Plaintiff, Class Counsel, Settlement Class Members, and the LWDA; printing and
15 mailing the Class Action Settlement Notices to the Settlement Class Members as directed by the Court;
16 receiving and reporting the Requests for Exclusion submitted by Settlement Class Members; providing
17 declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; calculation
18 and payment of all applicable employer payroll taxes and reporting of such payments; and other tasks
19 as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The
20 Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement
21 Administrator responsibilities. Any legally mandated tax reports, tax forms, tax filings, or other tax
22 documents required by administration of this Agreement shall be prepared by the Settlement
23 Administrator. Any expenses incurred in connection with such preparation shall be a cost of
24 administration of the Settlement. The Settlement Administrator shall be paid the Settlement
25 Administration Costs no later than fifty (50) calendar days after the Settlement is fully funded.

26 3.20 Final Approval Hearing. At a reasonable time following the Response Deadline, the
27 Court shall hold the Final Approval Hearing, where objections, if any, may be heard, and the Court shall
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determine amounts properly payable for: (i) the Class Counsel Award and Costs; (ii) the Class Representative Service Award; (iii) Individual Settlement Payment; (iv) the PAGA Penalties Payments; (v) the LWDA PAGA Allocation; and (vi) the Settlement Administration Costs.

3.21 Entry of Final Judgment. If the Court approves this Settlement at the Final Approval Hearing, the Parties shall request that the Court enter the Final Judgment with the Court retaining jurisdiction over the Parties to enforce the terms of the judgment. No later than one hundred and twenty (120) days after the payments are made under this Agreement, the Settlement Administrator shall provide proof of payment of settlement awards, service award, attorneys' fees and costs (if Settlement is Effective).

3.22 Nullification of Settlement Agreement. With the exception of any modification or reduction to the Class Counsel Award and Costs, Class Representative Service Award, Settlement Administrator fees, or PAGA Allocation, in the event: (i) the Court does not enter the Preliminary Approval Order as specified herein; (ii) the Court does not grant final approval of the Settlement as provided herein; (iii) the Court does not enter a Final Judgment as provided herein; or (iv) the Settlement does not become final for any other reason, this Settlement Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning. In such a case, the Parties and any monetary amounts to be awarded under this Settlement shall be returned to their respective statuses as of the date and time immediately prior to the date of the mediation, and the Parties shall proceed in all respects as if this Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by Defendants, subject to reallocation as between the Parties in the discretion of the Court. In the event an appeal is filed from the Court's Final Judgment, or any other appellate review in this action is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review.

3.23 No Admission By the Parties. Defendants deny any and all claims alleged in this Lawsuit and deny all wrongdoing whatsoever. This Agreement is not a concession or admission and shall not be used against Defendants as an admission or indication with respect to any claim of any fault,

1 concession, or omission by Defendants.

2 3.24 Exhibits/Attachments and Headings. The terms of this Agreement include the terms set
3 forth in any attached Exhibits/Attachments, which are incorporated by this reference as though fully set
4 forth herein. Any Exhibits/Attachments to this Agreement are an integral part of the Settlement. The
5 descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of
6 reference only and do not constitute a part of this Agreement.

7 3.25 Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Lawsuit,
8 subject to necessary compliance with the Court's orders, except such proceedings necessary to
9 implement and complete the Settlement (including filing of the Second Amended Complaint), in
10 abeyance pending the Final Approval Hearing to be conducted by the Court.

11 3.26 Amendment or Modification. This Agreement may be amended or modified only by a
12 written instrument signed by counsel for all Parties or their successors-in-interest.

13 3.27 Entire Agreement. This Agreement and any attached Attachments constitute the entire
14 Agreement among these Parties, and no oral or written representations, warranties or inducements have
15 been made to any Party concerning this Agreement or its Attachments other than the representations,
16 warranties, and covenants contained and memorialized in the Agreement and its Attachments.

17 3.28 Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
18 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement
19 and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this
20 Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms
21 of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts
22 to facilitate the implementation of the Settlement. In the event the Parties are unable to reach an
23 agreement on the form or content of any document needed to implement the Settlement, or on any
24 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the
25 Parties may seek the assistance of the Court to resolve such disagreement. The persons signing this
26 Agreement on behalf of Defendants represent and warrant that they are authorized to sign this
27 Agreement on behalf of Defendants. Plaintiff represents and warrants that he is authorized to sign this
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1 Agreement and that he has not assigned any claim, or part of a claim, covered by this Settlement to a
2 third-party.

3 3.29 Binding Nature of Agreement. This Agreement shall be binding upon, and inure to the
4 benefit of, the successors, heirs, assigns and third-party beneficiaries of the Parties hereto, as previously
5 defined. To the extent permitted by law, the Class Members who do not opt-out of this Settlement shall
6 also be bound by this Agreement and any Judgment relating thereto.

7 3.30 California Law Governs. All terms of this Agreement and the Attachments hereto shall
8 be governed by and interpreted according to the laws of the State of California.

9 3.31 This Settlement is Fair, Adequate, and Reasonable. The Parties believe and stipulate that
10 this Settlement is a fair, adequate and reasonable settlement of this Lawsuit and have arrived at this
11 Settlement after extensive, arms-length, non-collusive negotiations, taking into account all relevant
12 factors, present and potential.

13 3.32 Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
14 respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all
15 orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit
16 to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement
17 embodied in this Agreement and all orders and judgments entered in connection therewith, pursuant to
18 Code of Civil Procedure section 664.6 and any other applicable rule or statute.

19 3.33 Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
20 the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with
21 applicable precedents so as to define all provisions of this Agreement valid and enforceable.

22 3.34 Waiver of Certain Appeals. Provided the Final Judgment is consistent with the terms
23 and conditions of this Agreement, specifically including the Class Counsel Award and Costs set forth
24 in this Settlement, the Parties, Class Counsel, Defense Counsel, all Participating Class Members, and
25 all PAGA Members waive all rights to appeal from the Final Judgment, including all rights to post-
26 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
27 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to
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1 oppose such motions, writs or appeals. If an objector appeals the Final Judgment, the Parties'
2 obligations to perform under this Agreement will be suspended until such time as the appeal is finally
3 resolved and the Final Judgment becomes final.

4 3.35 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If
5 the reviewing court vacates, reverses, or modifies the Final Judgment in a manner that requires a
6 material modification of this Agreement (including, but not limited to, the scope of release to be
7 granted by Class Members), this Agreement shall be null and void, in Defendant's discretion. The
8 Parties shall nevertheless expeditiously work together in good faith to address the appellate court's
9 concerns and to obtain final approval and entry of Final Judgment. An appellate decision to vacate,
10 reverse, or modify the Court's award of the Class Representatives Service Payments or any payments
11 to Class Counsel shall not constitute a material modification of the Final Judgment within the meaning
12 of this paragraph, as long as the Gross Settlement Amount remains unchanged.

13 3.36 Cooperation. The Parties agree to cooperate fully with one another to accomplish and
14 implement the terms of this Settlement. Such cooperation shall include, but not be limited to, execution
15 of such other documents and the taking of such other action as may be reasonably necessary to timely
16 fulfill the terms and approval by the Court of this Settlement. The Parties to this Settlement shall use
17 their best efforts, including all efforts contemplated by this Settlement and any other efforts that may
18 become necessary by Court order, or otherwise, to effectuate this Settlement and the terms set forth
19 herein.

20 3.37 Notices. Unless otherwise specifically provided, all notices, demands, or other
21 communications in connection with this Stipulation shall be: (1) in writing; (2) deemed given on the
22 third business day after mailing; and (3) sent via United States registered or certified mail, return receipt
23 requested, addressed as follows (with a courtesy copy via email):
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To Plaintiff: SULLIVAN EMPLOYMENT LAW, P.C. Martin E. Sullivan, Esq. 145 S. Spring Street, Suite 850 Los Angeles, CA 90012 Tel.: (323) 645-5470 martin@sullivanlawgrp.com	To Defendants: Sue M. Bendavid, Esq. (SBN 151631) Nicholas Kanter, Esq. (SBN 239436) LEWITT HACKMAN 16633 Ventura Boulevard, 11th Floor Encino, California 91436 Tel: (818) 990-2120 Fax: (818) 981-4764 sbendavid@lewitthackman.com nkanter@lewitthackman.com
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3.38 Execution by Class Members. It is agreed that it is impossible or impractical to have each Settlement Class Member execute this Settlement Agreement. The Class Action Settlement Notice will advise all Class Members of the binding nature of the Released Statutory Claims and Released PAGA Claims and such shall have the same force and effect as if each Class Member executed this Stipulation.

3.39 Execution by Plaintiff. Plaintiff, by signing this Stipulation, is bound by the terms herein and further agrees not to request to be excluded from the Settlement and not to object to any terms of this Stipulation. Any such request for exclusion or objection shall therefore be void and of no force or effect.

3.40 Arms-Length Negotiations. The Parties hereto agree that the terms and conditions of this Stipulation of Settlement are the result of lengthy, intensive, arms-length, non-collusive negotiations and a neutrally-facilitated mediation between the Parties, and that this Stipulation shall not be construed in favor of or against any of the Parties by reason of their participation in the drafting of this Stipulation.

3.41 No "Fund" Under CCP Section 384. The parties agree that this settlement does not create or constitute a fund for purposes of California Code of Civil Procedure section 384.

3.42 Counterparts. This Stipulation shall become effective upon its execution by all of the undersigned. Plaintiff, Class Counsel, Defendants, and Defense Counsel may execute this Stipulation in counterparts, and execution of counterparts shall have the same force and effect as if each had signed the same instrument. Copies of the executed agreement, including docu-signed, scans or PDF versions, shall be effective for all purposes as though the signatures contained therein were original signatures.

1 3.43. Publicity. Class Counsel and Class Representative agree to discuss the terms of this
2 Settlement only in declarations submitted to the Court to establish Class Counsel's adequacy to serve as
3 Class Counsel, in declarations submitted to the Court in support of the Motion for Preliminary Approval,
4 the Motion for Final Approval, for Class Counsel Award, Class Counsel Costs, and any other pleading
5 filed with the Court in conjunction with the Settlement, and in discussions with Class Members in the
6 context of administering this Settlement until the Preliminary Approval Order is issued. Class Counsel
7 and Class Representative agree that they shall not publish any press releases, or press statements , or
8 social media, regarding the Settlement, identify Defendants or Defense Counsel by name in any media
9 including Class Counsel's website, or have any communications with the press or media or on social
10 media about the Lawsuit or the Settlement. Class Representative, in response to inquiries, will state only
11 that that "the Action was resolved." This provision will not impede Class Counsel's ability to discharge
12 fiduciary duties, including effectuating the terms of this Settlement. Further Class Counsel agrees not to
13 advertise this Settlement on Class Counsel's website or in any marketing.

14 3.44 Confidentiality Prior to Preliminary Approval. Class Representative, Class Counsel,
15 Defendants, and Defense Counsel separately agree that, until the Motion for Preliminary Approval is
16 filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another
17 person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly,
18 specifically or generally, to any person, corporation, association, government agency, or other entity
19 except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this
20 Agreement confidential; (2) to the extent necessary to report income to appropriate taxing authorities;

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(3) in response to a court order or subpoena; or (4) in response to an inquiry or subpoena issued by a state or federal government agency.

STIPULATED, AGREED, AND ACCEPTED.

DEFENDANT LOCKWOOD INDUSTRIES LLC

Print Name: _____

Date: _____

Title: _____

Signature: _____

DEFENDANT FRALOCK LLC

Print Name: _____

Date: _____

Title: _____

Signature: _____

PLAINTIFF ELLIOTT MORALES

Print Name: Elliott Morales

Date: 3/4/2025

Signature:  _____

Approved as to Form by Counsel:

LEWITT HACKMAN
Counsel for Defendants

Print Name: _____

Date: _____

Signature: _____

SULLIVAN EMPLOYMENT LAW, P.C.
Counsel for Plaintiff

Print Name: Martin E Sullivan

Date: 3/4/2025

Signature:  _____

(3) in response to a court order or subpoena; or (4) in response to an inquiry or subpoena issued by a state or federal government agency.

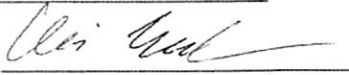
STIPULATED, AGREED, AND ACCEPTED.

DEFENDANT LOCKWOOD INDUSTRIES LLC

Print Name: Chris Tennenharm

Date: 3/6/25

Title: CFO

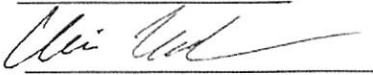
Signature: 

DEFENDANT FRALOCK LLC

Print Name: Chris Tennenharm

Date: 3/6/25

Title: CFO

Signature: 

PLAINTIFF ELLIOTT MORALES

Print Name: _____

Date: _____

Signature: _____

Approved as to Form by Counsel:

LEWITT HACKMAN

Counsel for Defendants

Print Name: Sue Benda, Esq.

Date: 3/6/25

Signature: 

SULLIVAN EMPLOYMENT LAW, P.C.

Counsel for Plaintiff

Print Name: _____

Date: _____

Signature: _____