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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN JOAQUIN

MICHAEL MONTELEONE, individually
and on behalf of other members of the general
public similarly situated, and as an aggrieved
employee pursuant to the Private Attorneys
General Act ("PAGA"),

Plaintiff,

vs.

SCHELL & KAMPETER, INC., a Missouri
corporation, and DOES 1-10, inclusive,

Defendants.

TERESA MACIEL, individually and on
behalf of all others similarly situated,

Plaintiff,

vs.

SCHELL & KAMPETER, INC.; and DOES
1-10, inclusive,

Defendants.

Lead Case No.: STK-CV-UOE-2023-11330
Case No.: STK-CV-UOE-2023-11530

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE**

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CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE

This Class Action and PAGA Settlement Agreement and Release (“Settlement Agreement” or “Agreement”), is made and entered into by, between, and among Plaintiffs Michael Monteleone and Teresa Maciel (“Plaintiffs”) on behalf of themselves, the Settlement Class, as defined below, the State of California, and the PAGA Settlement Members, as defined below, on the one hand, and Defendant Schell & Kampeter, Inc. (“Defendant”) on the other.

Plaintiffs and Defendant (collectively, the “Parties”) enter into this Agreement to effectuate a full and final settlement and preclusive judgment resolving completely and to the fullest extent permitted by law the Released Class Claims and Released PAGA Claims, as defined below, and brought against Defendant in *Michael Monteleone v. Schell & Kampeter, Inc., et al.* (Case No. STK-CV-UOE-2023-11330) in the Superior Court of the State of California, County of San Joaquin and *Teresa Maciel v. Schell & Kampeter, Inc., et al.* (Case No. STK-CV-UOE-2023-11530) in the Superior Court of the State of California, County of San Joaquin. This Agreement is intended to fully and finally compromise, resolve, discharge, and settle the Released Class Claims and Released PAGA Claims, as defined and on the terms set forth below, and to the full extent reflected herein, subject to the approval of the Court.

I. RECITALS

WHEREAS, on October 27, 2023, Plaintiff Monteleone filed a putative wage and hour class action against Defendant in San Joaquin County Superior Court, styled as *Michael Monteleone v. Schell & Kampeter, Inc., et al.*, Case No. STK-CV-UOE-2023-11330 (“*Monteleone Action*”), alleging claims for: 1) Violation of California Labor Code sections 510 and 1198 (Unpaid Overtime); 2) Violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 (Unpaid Minimum Wages); 3) Violation of California Labor Code sections 226.7, 512(a), 516, and 1198 (Failure to Provide Meal Periods); 4) Violation of California Labor Code sections 226.7, 516, and 1198 (Failure to Authorize and Permit Rest Periods); 5) Violation of California Labor Code sections 226(a), 1174(d), and 1198 (Non-Compliant Wage Statements and Failure to Maintain Payroll Records); 6) Violation of California Labor Code sections 201 and 202 (Wages Not Timely Paid Upon Termination); 7) Violation of California Labor Code section 204 (Failure to Timely Pay Wages During Employment); 8) Violation

of California Labor Code section 2802 (Unreimbursed Business Expenses); and 9) two claims for Violations of California Business and Professions Code sections 17200 *et seq.* (Unfair Business Practices).

WHEREAS, on October 27, 2023, Maciel submitted notice to the California Labor & Workforce Development Agency (“LWDA”) stating her intent to file a civil action for civil penalties pursuant to the California Private Attorneys General Act, Labor Code section 2698 *et seq.* (“PAGA”), alleging violations of: (1) Labor Code section 510 (unpaid overtime); (2) Labor Code section 226.7 (unpaid meal period premiums); (3) Labor Code section 204 (failure to timely pay wages); (4) Labor Code section 201 and 202 (failure to timely pay all wages at termination); (5) Labor Code section 512 (failure to provide meal periods); and Labor Code section 226(a) (failure to furnish accurate wage statements).

WHEREAS, on November 2, 2023, Plaintiff Maciel filed a putative wage and hour class action against Defendant in San Joaquin County Superior Court, styled as *Teresa Maciel v. Schell & Kampeter, Inc., et al.*, Case No. STK-CV-2023-11530 (“*Maciel Action*”), alleging claims for: 1) Failure to Pay Overtime Wages; 2) Failure to Pay Sick Time at the Regular Rate of Pay; 3) Failure to Pay Meal Premium Wages at the Regular Rate of Pay; 4) Failure to Timely Pay Wages at Cessation of Employment; 5) Failure to Furnish Accurate Itemized Wage Statements; and 6) Violation of Business and Professions Code sections 17200 *et seq.*

WHEREAS, on November 6, 2023, Monteleone submitted notice to the LWDA stating his intent to file a civil action for civil penalties pursuant to PAGA, alleging violations of and civil penalties pursuant to: (1) Labor Code sections 510 and 1198 (unpaid overtime); (2) Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 (unpaid minimum wages); (3) Labor Code sections 226.7, 512, 516, and 1198 (failure to provide meal periods); (4) Labor Code sections 226.7, 516, and 1198 (failure to authorize and permit rest periods); (5) Labor Code sections 226(a), 1174(d), and 1198 (non-compliant wage statements and failure to maintain accurate payroll records); (6) Labor Code section 204 and 210(failure to timely pay wages during employment); (7) Labor Code sections 201 and 202 (failure to timely pay wages upon termination); (8) Labor Code sections 245.5, 246, 246.5, 247, 247.5, 248.5, 248.6, and 249 (failure to properly calculate paid sick leave); Labor Code sections 1198 and 6720 and

California Code of Regulations, Title 8, Section 11010(15) (failure to maintain work temperature providing reasonable comfort; (9) Labor Code section 2802 (unreimbursed business expenses); and (10) Labor Code section 558(a).

WHEREAS, on January 5, 2024, Plaintiff Maciel filed a First Amended Complaint to add a cause of action under PAGA.

WHEREAS, on April 23, 2024, Plaintiff Monteleone filed First Amended Complaint to add a cause of action under PAGA.

WHEREAS, on April 9, 2025, the Parties attended a mediation session with experienced professional mediator Daniel J. Turner, Esq., and, in preparation for mediation, engaged in written discovery and informal exchange of information, documents, and data, which enabled a thorough evaluation of the claims, and the likely outcomes, risks, and expense of pursuing litigation.

WHEREAS, the Parties did not settle at mediation, but ultimately accepted a mediator's proposal by Mr. Turner on or about May 23, 2025, the terms of which are reflected herein.

WHEREAS, the Parties desire to fully, finally, and forever settle, compromise, and discharge all disputes and claims that exist between them arising from the factual allegations that underlie the *Monteleone* and *Maciel* Actions.

II. DEFINITIONS

In addition to the terms defined elsewhere in this Settlement Agreement, capitalized terms used in this Settlement Agreement shall have the meanings set forth below:

1. "Actions" means *Michael Monteleone v. Schell & Kampeter, Inc., et al.*, San Joaquin Superior Court Case No. STK-CV-UOE-2023-11330 and *Teresa Maciel v. Schell & Kampeter, Inc., et al.*, San Joaquin Superior Court Case No. STK-CV-2023-11530.

2. "Attorneys' Fees and Costs" means attorneys' fees sought by Class Counsel for litigation and resolution of the Action, and all reasonable costs incurred by Class Counsel in the Action as outlined in this Agreement. Subject to review and approval by the Court, Class Counsel has indicated that they intend to seek attorneys' fees of not more than thirty five percent (35%) of the Gross Settlement Fund, or Two Hundred Twenty-Seven Thousand, Five Hundred Dollars (\$227,500.00), to be divided fifty percent (50%) to Capstone Law APC and fifty percent (50%) to Mayall Hurley, P.C.,

plus reasonable costs and expenses in an amount not to exceed Thirty Thousand Dollars (\$30,000.00), which shall be paid from the Gross Settlement Fund.

3. “Class Counsel” means and includes Raul Perez, Robert Drexler, Robert Myong, and Jonathan Lee of Capstone Law APC; and Vladimir J. Kozina, William J. Gorham, III, and Robert J. Wassermann of Mayall Hurley, P.C.

4. “Class Counsel Award” means any attorneys’ fees, expenses, or costs awarded to Class Counsel by the Court.

5. “Class List” means a confidential list of all Settlement Class Members and PAGA Settlement Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within thirty (30) calendar days after entry of an order granting Preliminary Approval of this Settlement. The Class List will include, to the extent available from Defendant’s records, each Class Member’s full name; most recent mailing address, and telephone number contained in Defendants’ personnel records; Social Security number; dates of employment; the number of “weeks worked” or “workweeks” that each Settlement Class Member worked during the Class Period and PAGA Period according to Defendant’s records; and any other information needed to calculate Individual Settlement Payments. The data provided to the Settlement Administrator will be treated as confidential and will not be disclosed to anyone, except as may be required to applicable tax authorities, pursuant to Defendant’s express written consent, by order of the Court, or to carry out the reasonable steps described in this Settlement to locate missing Settlement Class Members. The data provided to the Settlement Administrator will not be shared with Class Counsel.

6. “Class Period” means the period from July 20, 2022, through May 23, 2025.

7. “Class Representative Enhancement Payment(s)” means the amounts to be paid to Plaintiffs Montelone and Maciel, subject to final approval by the Court, in recognition of their efforts and work in prosecuting the Actions on behalf of Settlement Class Members. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiffs will request Court approval of Class Representative Enhancement Payments of Ten Thousand Dollars each (\$10,000.00), or Twenty Thousand Dollars in total (\$20,000.00).

8. “Court” means the Superior Court of California for the County of San Joaquin.

9. “Defendant” means Schell & Kampeter, Inc.

10. “Defense Counsel” means John P. Nordlund and Christopher Moore of Littler Mendelson, P.C.

11. “Effective Date” means the later of: (i) if no timely objections are filed, or if filed, are withdrawn prior to final approval, the date that is sixty-five (65) days after the Court enters an order granting Final Approval of the Settlement Agreement; or (ii) if timely objections are filed and not withdrawn, then either (a) the seventh calendar day following the deadline for filing a notice of appeal from the order granting Final Approval of the Settlement Agreement, provided no notice of appeal has been filed; or (b) the seventh calendar day after any appeal opposing the Settlement has been finally dismissed with no material change to the terms of this Settlement and there is no right to pursue further remedies or relief, whichever is later.

12. “Final Approval” means the entry of an order that the Parties will jointly seek from the Court, and the entry of which shall reflect the Court’s order finally approving the Settlement Agreement and entering Judgment thereon.

13. “Final Approval Hearing” means the hearing that is to take place after the entry of the Preliminary Approval Order and after the date the Settlement Administrator sends Notice Packets to Settlement Class Members for purposes of: (i) entering Final Approval; (ii) determining whether the Settlement Agreement shall be approved as fair, reasonable, and adequate; and (iii) ruling upon an application by Class Counsel for Attorneys’ Fees and Costs and Plaintiff’s Class Representative Enhancement Payment.

14. “Funding Date” means fourteen (14) calendar days after the Effective Date.

15. “Gross Settlement Fund” means the non-reversionary amount of Six Hundred Fifty Thousand Dollars (\$650,000.00), to be paid by Defendant in full satisfaction of all Released Claims, which includes all Individual Settlement Payments to Participating Settlement Class Members and PAGA Settlement Members, Participating Settlement Class Members’ shares of applicable payroll tax payments (including FICA, FUTA, and SDI contributions), the Class Representative Enhancement Payments to Plaintiffs, the PAGA Settlement Amount for release of all PAGA claims, Attorneys’ Fees and Costs, and Settlement Administration Costs. In addition to the amount provided as part of the

Gross Settlement Fund, Defendant agrees to pay the employer's share of applicable payroll tax payments ("Employer's Payroll Tax Payments"). Other than the Employer's Payroll Tax Payments, in no event will Defendant be liable for more than the Gross Settlement Fund set forth in this Paragraph.

16. "Individual Settlement Payment" means each Participating Settlement Class Member's respective share of the Net Settlement Amount.

17. "Individual PAGA Payment" means each PAGA Settlement Member's respective share of the 25% of the PAGA Settlement Amount allocated to PAGA Settlement Members.

18. "Plaintiffs" mean Plaintiffs Michael Monteleone and Teresa Maciel.

19. "PAGA Notices" mean the notices submitted by Plaintiff Maciel and Plaintiff Monteleone to the LWDA on October 27, 2023, and November 6, 2023, respectively, stating their intent to file civil actions for civil penalties pursuant to PAGA.

20. "Net Settlement Amount" means the portion of the Gross Settlement Fund remaining after deducting the Class Representative Enhancement Payment, the Class Counsel Award, Settlement Administration Costs, and the PAGA Settlement Amount. The entirety of the Net Settlement Amount will be distributed to Participating Settlement Class Members pro rata, on a per "weeks worked" or "workweek" basis. There will be no reversion of the Net Settlement Amount to Defendant.

21. "Notice of Objection" means a Settlement Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector's full name, address, and signature; (ii) the case name and case number; (iii) a written statement of the grounds for the objection; and (iv) a statement whether the objector intends to appear at the Final Approval Hearing. Unless the Court orders otherwise, any Settlement Class Member who does not submit a timely written objection to the Settlement, who fails to appear at the Final Approval Hearing to lodge his or her objection, or who fails to otherwise comply with the requirements of this Paragraph, will be foreclosed from objecting to the Settlement and seeking any adjudication or review of the Settlement, by appeal or otherwise. PAGA Settlement Members have no right and shall not be permitted to object to the settlement and release of the PAGA Released Claims.

22. "Notice Packet" or "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit A**.

23. “PAGA Period” means the period from October 27, 2022, through May 23, 2025.

24. “PAGA Settlement Amount” means the amount that the Parties agree to allocate to the PAGA Settlement Members and the California Labor and Workforce Development Agency (“LWDA”) in connection with resolution of the PAGA claims in the Action. The Parties agree that Thirty Thousand Dollars (\$30,000.00) of the Gross Settlement Fund will be allocated to the resolution of PAGA Settlement Members’ claims arising under PAGA. As required by PAGA, Seventy-Five Percent (75%), or Twenty-Two Thousand, Five Hundred Dollars (\$22,500.00), of the PAGA Settlement Amount will be paid to the LWDA (“LWDA Payment”), and Twenty-Five Percent (25%), or Seven Thousand, Five Hundred Dollars (\$7,500.00), of the PAGA Settlement Amount will be distributed to PAGA Settlement Members on a pro rata basis based on their respective number of “weeks worked” or “workweeks” during the PAGA Period.

25. “PAGA Settlement Members” means all current and former non-exempt employees of Defendant in the State of California during the PAGA Period.

26. “Participating Settlement Class Members” means all Settlement Class Members who do not submit timely and valid Requests for Exclusion.

27. “Parties” means Plaintiffs and Defendants, collectively.

28. “Preliminary Approval” means the Court order granting preliminary approval of this Settlement Agreement.

29. “Qualified Settlement Fund” means a fund, account, or trust satisfying the requirements of 26 C.F.R. § 1.468B-1, established by the Settlement Administrator for the purpose of distributing the Gross Settlement Fund according to the terms of this Settlement Agreement.

30. “Released Class Claims” means all claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal theories of relief, that are asserted in the operative complaints of the Actions, or which could have been pled based on the material facts asserted in the operative complaints of the Actions, including: 1) Violation of California Labor Code sections 510 and 1198 (Unpaid Overtime); 2) Violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 (Unpaid Minimum Wages); 3) Violation of California Labor Code sections 226.7, 512(a), 516, and 1198 (Failure to Provide Meal Periods); 4) Violation of California Labor Code

sections 226.7, 516, and 1198 (Failure to Authorize and Permit Rest Periods); 5) Violation of California Labor Code sections 226(a), 1174(d), and 1198 (Non-Compliant Wage Statements and Failure to Maintain Payroll Records); 6) Violation of California Labor Code sections 201 and 202 (Wages Not Timely Paid Upon Termination); 7) Violation of California Labor Code section 204 (Failure to Timely Pay Wages During Employment); 8) Violation of California Labor Code section 2802 (Unreimbursed Business Expenses); and 9) Violations of California Business and Professions Code sections 17200 *et seq.* (Unfair Business Practices).

31. “Released PAGA Claims” means all claims for civil penalties pursuant to PAGA that are asserted in the operative complaints of the Actions, or which could have been pled based on the material facts asserted in Plaintiffs’ PAGA Notices or the operative complaints of the Actions, including all claims for violations of and civil penalties pursuant to Labor Code sections 201, 202, 204, 210, 226(a), 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 248.6, 249, 256, 510, 512(a), 516, 558, 1174(d), 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

32. “Released Claims” means the Released Class Claims and the Released PAGA Claims.

33. “Released Parties” means Defendant and each of its past, present, and/or future, direct, and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint ventures.

34. “Request for Exclusion” means a letter timely submitted by a Settlement Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name and address of the Settlement Class Member requesting exclusion; (ii) include the case name and case number (iii) be signed by the Settlement Class Member; (iv) be returned to the Settlement Administrator; (v) clearly state that the Settlement Class Member does not wish to be included in the Settlement; and (vi) be faxed or postmarked on or before the Response Deadline. PAGA Settlement Members have no right to and shall not be permitted to exclude themselves from the settlement and release of the PAGA Released Claims.

35. “Response Deadline” means the deadline by which Settlement Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, Notices of Objection, or

disputes as to workweeks. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the forty-fifth (45th) day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

36. "Settlement Administration Costs" means the reasonable fees and expenses payable from the Gross Settlement Fund to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking forms for this Settlement, calculating estimated amounts per Settlement Class Member, tax reporting, distributing the LWDA Payment, Gross Settlement Fund, Class Representative Enhancement Payment, and Class Counsel Award, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, as requested by the Parties. The Parties have agreed to allocate up to \$6,950.00 to Settlement Administration Costs. The Settlement Administration Costs will be paid from the Gross Settlement Fund. In the event the allocated Settlement Administration Costs exceed the actual costs incurred by the Settlement Administrator, the difference shall be a part of the Net Settlement Amount and distributed to the Participating Settlement Class Members.

37. "Settlement Administrator" means ILYM Group, Inc., which the Parties have agreed to, subject to approval by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

38. "Settlement Class Member(s)" or "Settlement Class" means all current and former non-exempt employees of Defendant who worked in the State of California at any time during the Class Period.

III. TERMS OF AGREEMENT

Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant agree as follows:

39. Second Amended Complaint and Dismissal of *Maciel* Action. As a term and condition of this Settlement, the Parties agree that Plaintiffs will amend the complaint in the *Monteleone* Action to add Plaintiff Maciel as a named Plaintiff in *Monteleone* Action and to add all factual allegations, theories, and claims asserted in the *Maciel* Action to the operative complaint in the *Monteleone* Action.

As a further term and condition of this Settlement, the Parties further agree to dismiss the *Maciel* Action in its entirety. To effectuate this Settlement, prior to filing a Motion for Preliminary Approval, the Parties shall concurrently file: (1) a stipulation in the *Monteleone* Action to file a Second Amended Complaint in the *Monteleone* Action, which shall become the operative complaint for purposes of this Settlement and which shall add Plaintiff Maciel as a named plaintiff and assert all claims, factual allegations, and theories pled by Plaintiff Maciel in the *Maciel* Action; and (2) a stipulation to dismiss the *Maciel* Action in its entirety, without prejudice, based upon this Settlement and the filing of the Second Amended Complaint in the *Monteleone* Action. Plaintiffs shall provide drafts of the stipulations to Defendant's Counsel within seven (7) calendar days of the complete execution of this Settlement Agreement. Counsel for Defendant will accept service of the operative Second Amended Complaint. If the Court does not grant the aforementioned stipulations and the Second Amended Complaint does not become the operative complaint for any reason, the Parties shall cooperate in good faith to effectuate and finalize this Settlement. The Parties agree this Settlement is contingent upon the settlement, release, and dismissal of all claims asserted in both Actions.

40. Preliminary Approval Motion. The Parties agree to present the Settlement to the Court in the *Monteleone* Action for Preliminary Approval, and consent to continued jurisdiction in said Court if Preliminary Approval is granted. Plaintiffs further agree to make a good-faith effort to file a Motion for Preliminary Approval, including all executed and necessary exhibits, within sixty (60) calendar days of executing this Settlement Agreement. Plaintiffs shall provide Defense Counsel a draft of the Preliminary Approval Motion at least seven (7) days prior to filing for Defense Counsel's review, approval, and, if necessary, revision.

41. Funding of the Gross Settlement Fund and Employer's Payroll Tax Payments. By the Funding Date, Defendant will make a one-time deposit of the Gross Settlement Fund of Six Hundred Fifty Thousand Dollars (\$650,000.00) plus the Employer's Payroll Tax Payments into a Qualified Settlement Fund to be established by the Settlement Administrator in exchange for the promises set forth in this Settlement Agreement, including the Releases by the Participating Settlement Class Members, PAGA Settlement Members, and Plaintiffs for the Released Claims. The Individual Settlement Payments are not being made for any other purpose and will not be construed as

1 compensation for purposes of determining eligibility for any health and welfare benefits or
2 unemployment compensation. After the Effective Date, the Gross Settlement Fund will be used to pay:
3 (i) Individual Settlement Payments; (ii) the PAGA Settlement Amount; (iii) the Class Representative
4 Enhancement Payment; (iv) the Class Counsel Award; and (v) Settlement Administration Costs.

5 42. Non-Reversionary Settlement. Participating Settlement Class Members are entitled to
6 one hundred percent (100%) of the Net Settlement Amount, to be distributed as outlined in Paragraph
7 20. Defendants maintain no reversionary right to any portion of the Net Settlement Amount, including
8 any increase in the Net Settlement Amount resulting from a reduction in the Class Representative
9 Enhancement Payments, Class Counsel Award, the PAGA Settlement Amount, and/or the Settlement
10 Administration Costs. If there are any timely submitted opt outs or a reduction in the Class
11 Representative Enhancement Payments, Class Counsel Award, the PAGA Settlement Amount, and/or
12 the Settlement Administration Costs, the Settlement Administrator shall proportionately increase the
13 Individual Settlement Payments for each Participating Settlement Class Member so that the amount
14 actually distributed to Participating Settlement Class Members equals one hundred percent (100%) of
15 the corresponding Net Settlement Amount. If the amount of the Employer's Payroll Tax Payment is
16 overestimated, however, funds equivalent to the overestimated amount shall revert to Defendants.

17 43. Escalator Clause. Defendant represents that Settlement Class Members worked
18 approximately 42,882 workweeks as of April 9, 2025. In the event the qualifying workweeks included
19 in the Class Period increases by more than 10% (i.e., more than 47,171 total workweeks), Defendant
20 shall have the option to either: (i) increase the Gross Settlement Fund on a pro-rata basis equal to the
21 number of workweeks worked by the Settlement Class Members above 10% (for example, if the
22 number of workweeks increases by 11%, the Gross Settlement Fund will increase by 1%) or (ii) shorten
23 the release period to an earlier date at which only 47,171 workweeks are covered by the Class Period.
24 Defendant shall make this election within fourteen (14) calendar days of receiving written notification
25 by the Settlement Administrator that the Escalator Clause has been triggered. If Defendant does not
26 make an election within the specified timeframe, Defendant will be deemed to have chosen to shorten
27 the release period to an earlier date.

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44. Attorneys' Fees and Costs. Class Counsel shall apply to the Court for attorneys' fees of not more than thirty five percent (35%) of the Gross Settlement Fund, or Two Hundred and Twenty Seven Thousand, Five Hundred Dollars (\$227,500.00) plus reasonable costs and expenses in an amount not to exceed Thirty Thousand Dollars (\$30,000.00) subject to proof by Class Counsel. The Settlement Administrator (and not Defendant) shall issue an IRS Form 1099 to Class Counsel reflecting the Class Counsel Award. If the Court approves a Class Counsel Award less than the amounts requested, and Plaintiffs do not elect to appeal the reduced award, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel arising from any claim to any portion of the Class Counsel Award. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Award and holds Defendant harmless, and indemnifies Defendant from any dispute or controversy regarding any division or sharing of any of these payments.

45. Class Representative Enhancement Payments. In exchange for general releases of all known and unknown claims that they may have against Defendant and Released Parties based on their employment with Defendant (including a waiver of claims under Civil Code section 1542), and in recognition of their service to the class, Plaintiffs shall apply for Class Representative Enhancement Payments of Ten Thousand Dollars (\$10,000.00), each, or Twenty Thousand Dollars (\$20,000.00) in total. The Class Representative Enhancement Payments will be paid from the Gross Settlement Fund. The Settlement Administrator (and not Defendants) shall issue an IRS Form 1099 to Plaintiffs reflecting their Class Representative Enhancement Payments. Plaintiffs agree to assume responsibility for remitting to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority the amounts to be deduced by law, if any, from their Class Representative Enhancement Payments. In addition, Plaintiffs shall hold Defendant and the Released Parties harmless and indemnify and defend Defendant and the Released Parties for all taxes, interest, penalties, and costs incurred by Defendant or the Released Parties in connection with any claims relating to their non-withholding of taxes from the Class Representative Enhancement Payments. If the Court approves Class Representative Enhancement Payments less than the amounts requested, and Plaintiffs do not elect to appeal the reduced award, the Settlement Administrator will allocate the remainder to the Net Settlement Amount.

1 46. Settlement Administration Costs. The Settlement Administrator will be paid for the
2 reasonable costs it incurs for purposes of administering the Settlement and distributing payments from
3 the Gross Settlement Fund. These costs, which will be paid from the Gross Settlement Fund, will
4 include, inter alia, calculating, paying, and reporting the required tax payments on the Individual
5 Settlement Payments; the issuing and collection of 1099 and W-2 IRS Forms; distributing Notice
6 Packets; processing Requests for Exclusion, Notices of Objection, and workweek disputes; performing
7 skip trace on Notice Packets returned as undeliverable; calculating and distributing from the Gross
8 Settlement Fund all Individual Settlement Payments, the PAGA Settlement Amount, Class
9 Representative Enhancement Payment, and the Class Counsel Award; and providing necessary reports
10 and declarations, among other tasks that the parties may agree upon or as set forth in this Agreement.
11 To the extent the Settlement Administration Costs are less or the Court approves payment less than the
12 requested amount, the Settlement Administrator will allocate the remainder to the Net Settlement
13 Amount.

14 47. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
15 of Thirty Thousand Dollars (\$30,000.00) from the Gross Settlement Fund will be designated for
16 satisfaction of Plaintiff's and PAGA Settlement Members' PAGA claims. Pursuant to PAGA, Seventy-
17 Five Percent (75%), or Twenty-Two Thousand, Five Hundred Dollars (\$22,500.00), of the PAGA
18 Settlement Amount will be paid to the LWDA, and Twenty-Five Percent (25%), or Seven Thousand,
19 Five Hundred Dollars (\$7,500.00), will be distributed on a pro rata basis to the PAGA Settlement
20 Members based on the number of "weeks worked" or "workweeks" during the PAGA Period. This
21 amount will not revert to Defendants.

22 48. Net Settlement Amount. The entire Net Settlement Amount will be distributed to
23 Participating Settlement Class Members as provided in Paragraph 20. No portion of the Net Settlement
24 Amount will revert to or be retained by Defendants.

25 49. Individual Settlement Payment Calculations. Individual Settlement Payments will be
26 calculated and apportioned on a pro rata basis from the Net Settlement Amount to Settlement Class
27 Members who do not opt out depending on the number of "weeks worked" or "workweeks" (defined
28 as any calendar week during the Class Period) in which a Settlement Class Member performed at least

one day of work for Defendant. Settlement Class Members do not need to submit a claim to participate and receive their Individual Settlement Payment. All Class Members will be deemed to have worked at least one “workweek” during the Class Period.

50. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the 25% portion of the PAGA Settlement Amount allocated to PAGA Settlement Members on a pro rata basis depending on the number of “weeks worked” or “workweeks” in which a PAGA Settlement Member performed at least one day of work for Defendant during the PAGA Period. All PAGA Settlement Members will be deemed to have worked at least one “workweek” during the PAGA Period. PAGA Settlement Members do not need to submit a claim to participate in the PAGA portion of the Settlement and also may not opt out of the resolution of the PAGA claim.

51. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Settlement Class Members and Individual PAGA Payments made to PAGA Settlement Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’ intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any benefit plans. For the avoidance of doubt, no Settlement Class Member shall be entitled to any additional right, contribution, or amount under any benefit plan as a result of this Settlement or payments made hereunder.

52. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement.

53. Notice to Labor and Workforce Development Agency. Upon the filing of the Motion for Preliminary Approval, Class Counsel will notify the LWDA of this Settlement Agreement. Within ten (10) calendar days of the entry of the Court’s order granting Preliminary Approval and of the Court’s entry of Judgment, Class Counsel will provide the LWDA with copies of that order and

Judgment, respectively, consistent with Paragraph 31 of this Agreement and California Labor Code sections 2699(I)(1)–(3).

54. Preparation of the Class List. Within fifteen (15) calendar days of the entry of the Court's order granting Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator. Within fifteen (15) calendar days after the Response Deadline, the Settlement Administrator will provide counsel for Defendant with the list of Participating Settlement Class Members, which, unless the Court orders otherwise, shall exclude individuals who filed a timely Request for Exclusion.

55. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days after receiving the Class List from Defendant, the Settlement Administrator will send a Notice Packet to all Settlement Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

56. Confirmation of Contact Information in the Class Lists and Resending Notices Where Initial Notice is Returned as Non-Deliverable. Prior to the initial distribution of Notice Packets, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct any known or identifiable address changes for those Settlement Class Members who do not have a mailing address included in the Class List. Notice Packets sent via regular First-Class U.S. Mail and returned to the Settlement Administrator as non-deliverable on or before the Response Deadline, will be sent promptly via regular First-Class U.S. Mail within five (5) business days of receipt to any forwarding address affixed thereto and the Settlement Administrator will indicate the date of such remailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search using the name, address, and/or Social Security number of the Settlement Class Member involved, and will then perform a single re-mailing within five (5) business days of receipt of the returned Notice Packet. Settlement Class Members will have until the later of ten (10) calendar days from the date of the re-mailing of the Notice Packet or the Response Deadline, to submit a Notice of Objection, Request for Exclusion, or workweeks dispute.

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1 57. Notice Packets. All Settlement Class Members will be sent a Notice Packet. Each
2 Notice Packet will provide: (i) information regarding the nature of the Action; (ii) a summary of the
3 Settlement Agreement's principal terms; (iii) the Settlement Class definition; (iv) the number of
4 workweeks each respective Settlement Class Member worked for Defendants during the Class Period
5 and PAGA Period; (v) each Settlement Class Member's estimated Individual Settlement Payment; (vi)
6 each PAGA Settlement Member's estimated Individual PAGA Payment; (vii) the dates comprising the
7 Class Period and the PAGA Period; (viii) instructions on how to submit Requests for Exclusion,
8 Notices of Objection, and workweek disputes; (ix) the deadlines by which the Settlement Class
9 Member must postmark or fax Requests for Exclusion, Notices of Objection, and workweeks disputes;
10 (x) the claims to be released; and (xi) the Settlement Administrator's contact information, including
11 the website address where the electronic versions of the materials in the Notice Packet will be available.
12 Settlement Class Members and PAGA Settlement Members will be specifically informed that neither
13 Defendants nor Class Counsel make any representations regarding the tax implications of any amounts
14 paid under this Settlement Agreement and that if Settlement Class Members or PAGA Settlement
15 Members have any questions regarding those implications, they can and should consult a tax expert.
16 The Parties' proposed Notice Packet is attached hereto as **Exhibit A**.

17 58. Disputed Information in Notice Packets. Settlement Class Members will have an
18 opportunity to dispute the workweek information provided in their Notice Packets. To the extent
19 Settlement Class Members dispute their employment dates or the number of workweeks on record,
20 Settlement Class Members may produce evidence to the Settlement Administrator by the Response
21 Deadline showing that such information is inaccurate. The Settlement Administrator will decide the
22 dispute. Defendant's records will be presumed correct, but the Settlement Administrator will evaluate
23 the evidence submitted by the Settlement Class Member and will make the final decision as to the
24 merits of the dispute. All disputes will be decided by the Settlement Administrator within fifteen (15)
25 business days of the Response Deadline.

26 59. Request for Exclusion Procedures. Any Settlement Class Member wishing to opt out
27 of the Settlement Agreement must sign and fax or mail a written Request for Exclusion to the
28 Settlement Administrator by the Response Deadline. In the case of Requests for Exclusion that are

1 mailed to the Settlement Administrator, the postmark date will be the exclusive means to determine
2 whether a Request for Exclusion has been timely submitted. Consistent with California law, PAGA
3 Settlement Members may not opt out of the PAGA Settlement. Any Settlement Class Member who
4 timely submits a Request for Exclusion from the Settlement Class will still receive an Individual PAGA
5 Payment representing their portion of the PAGA Settlement Amount, and shall continue to be bound
6 by the Release of PAGA Claims. All signatories and their counsel must not encourage opt-outs. The
7 Parties specifically agree not to solicit opt-outs, directly or indirectly, through any means. Objective
8 statements to Settlement Class Members who call Class Counsel with inquiries regarding the
9 Settlement Agreement, or the exercise of Class Counsel's ethical obligations, shall not be deemed a
10 violation of the prohibitions contained herein.

11 60. Defective Submissions. If a Settlement Class Member's Request for Exclusion is
12 defective as to the requirements listed herein, that Settlement Class Member will be given an
13 opportunity to cure the defect(s). The Settlement Administrator will send the Settlement Class Member
14 a cure letter within three (3) business days of receiving the defective submission to advise the
15 Settlement Class Member that his or her submission is defective and that the defect must be cured to
16 render the Request for Exclusion valid. The Settlement Administrator will send the cure letter by the
17 last method by which the Settlement Administrator sent the Notice Packet to the Settlement Class
18 Member. The Settlement Class Member will have until the later of (i) the Response Deadline or (ii)
19 ten (10) calendar days from the date of the cure letter to postmark or fax a revised Request for
20 Exclusion. If the revised Request for Exclusion is not postmarked or received by fax within that period,
21 it will be deemed untimely.

22 61. Cancellation of Settlement Agreement. Within fourteen (14) calendar days after the
23 Response Deadline, as defined in the Court's Order granting Preliminary Approval of the Settlement,
24 Defendant will have the option, in its sole discretion, to void the Settlement Agreement in its entirety
25 if five percent (5%) or more of all individuals eligible to become members of the Settlement Class
26 submit timely and valid Requests for Exclusion or are otherwise deemed by the Court not to be bound
27 by the Settlement; or, alternatively, if individuals whose combined workweek totals are equal to or
28 greater than five percent (5%) of the workweeks encompassed by the Class Period submit timely and

valid Requests for Exclusion or are otherwise deemed by the Court not to be bound by the Settlement. If Defendant exercises this option, it shall be solely responsible for all reasonable Settlement Administration Costs incurred to the date of cancellation.

62. Releases.

a. Release of Class Claims by Participating Settlement Class Members. The Parties agree that upon Final Approval and entry of Judgment, it is their intent that the terms set forth in this Settlement Agreement will release any further attempt by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind by each and all of the Participating Settlement Class Members, who shall release their right to pursue any and all claims against the Released Parties for the Released Class Claims, as fully described in Paragraph 30, arising during the Class Settlement Covered Period.

b. Release of PAGA Claims by PAGA Settlement Members. The Parties agree that upon Final Approval and entry of Judgment, it is their intent that the terms set forth in this Settlement Agreement will release any further attempt by lawsuit, administrative claim or action, demand, claims for civil penalties, or other action of any kind by each and all of the PAGA Settlement Members, who shall release their right to pursue any and all claims against the Released Parties for the Released PAGA Claims, as fully described in Paragraph 31, arising during the PAGA Period.

c. Release of Claims by Plaintiffs. Upon Final Approval and entry of Judgment, in addition to the claims being released by all Participating Settlement Class Members and PAGA Settlement Members, Plaintiffs will release and forever discharge the Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which Plaintiffs have or may have against the Released Parties based in any way on, or otherwise related to or arising from, their employment with Defendant as of the date of execution of this Settlement Agreement. The releases include, but are not limited to, all disputes relating to or arising out of any state, local, or federal statute, ordinance, regulation, order, or common law, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000(e) *et seq.*; the Civil Rights Act of 1866, as amended, 42 U.S.C. §§ 1981 *et seq.*; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. §§ 201 *et seq.* and Code

of Federal Regulations; the Orders of the California Industrial Welfare Commission regulating wages, hours and working conditions; the California Fair Employment & Housing Act, as amended, Cal. Govt. Code §§ 12900 *et seq.*; the California Family Rights Act of 1991, as amended; Cal. Govt. Code § 12945.2; the California Unruh Civil Rights Act, as amended, Cal. Civ. Code §§ 51 *et seq.*; the California Labor Code (including any claim for civil penalties under the California Labor Code Private Attorneys General Act); the California Government Code; Article 1 of the California Constitution; the Rehabilitation Act of 1973, as amended, 29 U.S.C. §§ 701 *et seq.*; the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12100, *et seq.*; the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601, *et seq.* and any state law equivalent; the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*; the National Labor Relations Act, as amended, 29 U.S.C. §§ 151 *et seq.*; California Business and Professions Code §§ 17200 *et seq.*; other statutory and common law claims; statutory or common law rights to attorneys' fees and costs, penalties/fines, and/or punitive damages; any action based on contract, quasi-contract, quantum meruit, implied contract, tort, wrongful or constructive discharge, breach of the covenant of good faith and fair dealing, defamation, libel, slander, immigration issues, infliction of emotional distress, negligence, assault, battery, conspiracy, harassment, retaliation, discrimination on any basis prohibited by statute or public policy, conversion, any interference with business opportunity or with contract or based upon any other theory; and/or similar causes of action.

d. Plaintiffs' General Release. Upon Final Approval and entry of Judgment, to the extent allowed by California law, Plaintiffs waive all rights and benefits afforded by section 1542 of the California Civil Code as to any Released Claims. Section 1542 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.

63. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Settlement Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion (*i.e.*, all Participating Settlement Class Members) will be bound by all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court if it grants final approval of the Settlement. All PAGA Settlement Members—

1 regardless of whether they submit Request for Exclusions—shall receive a check for their share of the
2 PAGA Settlement Amount when settlement payments are delivered, and they will be bound by a release
3 of the Released PAGA Claims as outlined in Paragraph 62(b). The Settlement Agreement shall
4 constitute, and may be pleaded as, a complete and total defense to any Released Claims currently
5 pending or raised in the future.

6 64. Notice of Objection Procedures. To object to the Settlement Agreement, a Settlement
7 Class Member must mail or fax a valid Notice of Objection to the Settlement Administrator on or
8 before the Response Deadline. The Notice of Objection must be signed by the Settlement Class
9 Member and contain all information required by this Settlement Agreement. The postmark or fax-
10 stamp date will be deemed the exclusive means for determining that the Notice of Objection is timely.
11 The Settlement Administrator will notify any person from whom it receives a Notice of Objection that
12 is not timely and/or valid if, in fact, such Notice of Objection is not timely and/or valid. Any disputes
13 regarding the timeliness, validity, or effectiveness of a Notice of Objection shall be decided by the
14 Settlement Administrator consistent with the terms of this Agreement, and with the Parties' input, if
15 appropriate. Settlement Class Members who fail to object in the manner specified above will be
16 deemed to have waived all objections to the Settlement and will be foreclosed from making any
17 objections, whether by appeal or otherwise, to the Settlement Agreement, unless they appear at the
18 Final Approval Hearing and state their objection at that time. Settlement Class Members who submit
19 timely Notices of Objection may appear at the Final Approval Hearing to have their objections heard
20 by the Court. If the Court permits, Settlement Class Members who have not submitted a written Notice
21 of Objection in compliance with the Settlement Agreement may still appear at the Final Approval
22 Hearing and present their objections. However, PAGA Settlement Members have no right and shall not
23 be permitted to object to the PAGA Settlement. At no time will any of the Parties or their counsel seek
24 to solicit or otherwise encourage Settlement Class Members to submit written objections to the
25 Settlement Agreement or appeal from the Final Approval Order and Judgment. Class Counsel will not
26 represent any Settlement Class Members with respect to any such objections to this Settlement.

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1 65. Certification Reports Regarding Individual Settlement Payment Calculations. The
2 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that
3 identifies the number of Settlement Class Members who have submitted valid Requests for Exclusion,
4 or objected to the Settlement, and whether any Settlement Class Member has submitted a challenge to
5 any information contained in his or her Notice Packet as provided in Paragraph 57. The Settlement
6 Administrator will provide Defendant's counsel and Class Counsel a final report of the number of valid
7 Requests for Exclusion within seven (7) calendar days after the Response Deadline. Additionally, the
8 Settlement Administrator will provide counsel for both Parties with any updated reports regarding the
9 administration of the Settlement Agreement as needed or requested, as consistent with the terms of the
10 Settlement Agreement.

11 66. Distribution Timing of Individual Settlement Payments. The Settlement Administrator
12 will distribute the funds in the Gross Settlement Fund within the period set forth with respect to each
13 category of payment.

14 a. Class Counsel Award and Class Representative Enhancement Payment: Within
15 twenty-one (21) calendar days of the Funding Date, the Settlement Administrator will issue payments
16 for the Class Counsel Award and Class Representative Enhancement Payments in the amounts awarded
17 by the Court.

18 b. Individual Settlement Payment and PAGA Settlement Amount: Within twenty-
19 one (21) calendar days of the Funding Date, the Settlement Administrator will issue the LWDA
20 Payment to the LWDA, the Individual Settlement Payments to the Participating Settlement Class
21 Members, and the Individual PAGA Payments to the PAGA Settlement Members. The Settlement
22 Administrator will also issue a payment to itself for Court-approved services performed in connection
23 with the Settlement in the amount approved by the Court.

24 c. Payroll Tax Payments and Penalties: The Settlement Administrator will also
25 transmit Defendant's share of applicable Employer's Payroll Tax Payments and penalties to the
26 appropriate government authorities. The Settlement Administrator shall provide a final calculation of
27 Employer's Payroll Tax Payments owed in addition to the Gross Settlement Amount at least twenty-
28 one (21) days prior to the Funding Date.

67. Un-cashed Settlement Checks. Individual Settlement Payments and/or Individual PAGA Payment checks remaining uncashed for more than one hundred eighty (180) calendar days after issuance will be void. Funds from the uncashed checks shall be distributed to Court Appointed Special Advocates of San Joaquin County, a non-profit child advocacy program that is an appropriate *cy pres* beneficiary pursuant to Code of Civil Procedure § 384.

68. Certification of Completion. Upon completion of the administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

69. Treatment of Individual Settlement Payments. For tax purposes, the Individual PAGA Payments from the PAGA Settlement Amount will be treated as 100% penalties and will be reported on IRS Form 1099. Individual Settlement Payments will be allocated as follows: (i) twenty percent (20%) to settlement of wage claims and (ii) eighty percent (80%) to settlement of claims for interest and statutory penalties. The portion allocated to wages shall be reported on an IRS Form W-2 and the portion allocated to interest and penalties shall be reported on an IRS Form 1099 by the Settlement Administrator. Plaintiffs and Participating Settlement Class Members shall be solely responsible for taxes associated with the 1099 and W-2 payments, with the exception of employer payroll taxes. Participating Settlement Class Members shall be responsible for remitting to state and/or federal taxing authorities any applicable other taxes due. Neither this Agreement, nor any of its attachments, should be interpreted to contain or constitute representations or advice regarding any U.S. federal or state tax issue.

70. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, Participating Settlement Class Members, PAGA Settlement Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding Defendant's share of applicable employer payroll tax payments and penalties to the appropriate government authorities. All Settlement Class Members, including Plaintiffs, Participating Settlement Class Members and PAGA Settlement Members, shall be solely and exclusively responsible for remitting to state and/or federal taxing authorities any applicable other taxes

1 due and shall hold Defendant and the Released Parties harmless for any taxes, penalties, interest,
2 liabilities, costs, and expenses caused by any such taxing authority relating in any way to the Settlement
3 Class Members', including Plaintiffs', PAGA Settlement Members' and Participating Settlement Class
4 Members', tax treatment of payments made to them pursuant to this Settlement or failure to timely or
5 properly pay any taxes owed on their respective Individual Settlement Payment or Individual PAGA
6 Payment.

7 71. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect
8 of the payments called for hereunder, and Plaintiffs, Participating Settlement Class Members, and
9 PAGA Settlement Members are not relying on any statement, representation, or calculation by
10 Defendant or by the Settlement Administrator in this regard.

11 72. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
12 OF THIS SECTION, THE "ACKNOWLEDGING PARTY," AND EACH PARTY TO THIS
13 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
14 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO
15 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
16 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL
17 ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
18 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY
19 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
20 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN,
21 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
22 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT
23 BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
24 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
25 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER
26 PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
27 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY
28 HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY

SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

73. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged.

74. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

75. Termination of Settlement Agreement. Plaintiffs and Defendant will each have the right to unilaterally terminate this Settlement Agreement by providing written notice of their election to do so (“Termination Notice”) to all other Parties hereto within ten (10) business days of any of the following occurrences; provided, however, that the Parties agree to cooperate in good faith to address any issues the Court raises in connection with issuing Preliminary Approval and/or Final Approval of the Settlement:

- a. satisfaction of the conditions precedent for cancelling the agreement set forth in Paragraph 61;
- b. the Court rejects, materially modifies, materially amends or changes, or declines to issue a Preliminary Approval Order or a Final Approval Order with respect to the Settlement Agreement, but only if the Parties are not permitted to remedy any deficiencies the Court identifies;
- c. an appellate court reverses the Final Approval Order, and the Settlement Agreement is not reinstated without material change by the Court on remand; or

d. any court incorporates terms into, or deletes or strikes terms from, or modifies, amends, or changes the Preliminary Approval Order, the Final Approval Order, or the Settlement Agreement in a way that Plaintiffs or Defendant reasonably consider material, unless the modification or amendment is accepted in writing by all Parties, except that the Court's modification to the Attorneys' Fees and Costs and Class Representative Enhancement Payment provisions, or of their amounts, shall not permit termination of the Settlement Agreement.

76. Reversion Nunc Pro Tunc. If this Settlement Agreement is terminated pursuant to its terms, or the Effective Date for any reason does not occur: (a) all Orders certifying the Settlement Class for purposes of effectuating this Settlement, and all preliminary and/or final findings regarding the Settlement Class, shall be void *ab initio* and automatically vacated upon notice to the Court, and (b) the Action shall proceed as though the Settlement Class had never been certified pursuant to this Settlement Agreement and such findings had never been made.

77. Preliminary Approval Hearing. Plaintiffs will obtain a hearing date before the Court to request the Preliminary Approval of the Settlement Agreement and the entry of an order in the *Monteleone* Action: (i) identifying the Settlement Class; (ii) conditionally certifying the Settlement Class for settlement purposes only; (iii) appointing Class Counsel; (iv) appointing Plaintiffs as Class Representatives; (v) granting preliminary approval to the proposed Settlement Agreement, including settlement of the PAGA claim; (vi) approving the form of the Class Notice and finding that the proposed method of disseminating the Class Notice meets the requirements of California Code of Civil Procedure section 382 and due process, and is the best notice practicable under the circumstances (v) approving ILYM Group, Inc. as the Settlement Administrator; (vi) establishing the procedures and the deadline by which Settlement Class Members may submit Notice of Objection to or submit Requests for Exclusion from the Settlement; (vii) enjoining all Settlement Class Members from prosecuting any Released Claim against any Released Parties pending Final Approval of the Settlement, subject to the right of any Settlement Class Member to timely and validly opt out from the Release of Class Claims; (viii) setting a deadline for Class Counsel to file an application for Attorney's Fees and Costs and an application for a Class Representative Enhancement Payments for Plaintiffs; and (ix) setting a date for

1 a Final Approval Hearing. The Preliminary Approval Order will provide for the Notice Packet to be
2 sent to all Settlement Class Members as specified herein. In conjunction with the Preliminary Approval
3 hearing, Plaintiffs will submit this Settlement Agreement, which sets forth the terms of this Settlement,
4 and will include the proposed Notice Packet, which will include the proposed Notice of Class Action
5 Settlement, attached as **Exhibit A**. Class Counsel will be responsible for drafting all documents
6 necessary to obtain preliminary approval. Class Counsel shall provide a draft of the motion for
7 preliminary approval and supporting documents to Defense Counsel at least seven (7) days prior to the
8 date of filing for review and approval.

9 78. Final Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to
10 postmark Requests for Exclusion or Notices of Objection, and with the Court's permission, a Final
11 Approval Hearing will be conducted to determine the Final Approval of the Settlement Agreement
12 along with the amounts properly payable for: (i) Individual Settlement Payments (including all
13 applicable taxes); (ii) the PAGA Settlement Amount; (iii) the Class Representative Enhancement
14 Payment; (iv) the Class Counsel Award; and (v) all Settlement Administration Costs. Class Counsel
15 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will
16 also be responsible for drafting the Class Counsel Award and Class Representative Enhancement
17 Payments application to be heard at the Final Approval Hearing, which may be filed concurrently with
18 a motion requesting final approval. Class Counsel shall provide a draft of the motion for final approval
19 and supporting documents to Defense Counsel at least seven (7) days prior to the date of filing for
20 review and approval.

21 79. Judgment and Continued Jurisdiction. In advance of the Final Approval Hearing, Class
22 Counsel will present to the Court along with its Final Approval Motion a proposed Final Approval
23 Order and form of Judgment to the Court in the *Monteleone* Action for its approval that: (i) approves
24 the Settlement Agreement, adjudging the terms thereof to be fair, reasonable, adequate, and directing
25 consummation of its terms and provisions; (ii) approves Class Counsel's application for an award of
26 Attorneys' Fees and Costs; (iii) approves the Class Representative Enhancement Payments;
27 (iv) approves the PAGA Settlement Amount; (v) approves the Settlement Administrator's fees from
28 the Gross Settlement Fund; (vi) defines Participating Settlement Class Members and PAGA Settlement

Members; (vii) defines the Released Class Claims and Released PAGA Claims; (viii) finds that the dissemination of the Class Notice in the form and manner ordered by the Court was accomplished as directed, met the requirements of due process, was the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons entitled thereto; and (ix) bars all Participating Settlement Class Members and PAGA Settlement Members from prosecuting against the Released Parties, or any of them, any of the Released Claims. After entry of the Judgment, the Court will have continuing jurisdiction solely 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. Plaintiffs shall provide a draft of the proposed Final Approval Order and Judgment to Defendant's counsel with the draft Motion for Final Approval for Defendant's counsel's review, approval, and, if necessary, revision at least seven (7) days prior to filing.

80. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached Exhibits, which are incorporated by reference as though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

81. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms and, should this Settlement Agreement receive Final Approval, its terms will supersede all prior written or oral agreements between the Parties other than the separately executed Individual Settlement Agreement between Plaintiff and Defendant.

82. Amendment or Modification. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel. Without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of time to carry out any of the provisions of this Settlement if such extension does not materially impact prior orders of the Court.

83. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent 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

1 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with
2 each other and use their best efforts to effect the implementation of the Settlement. If the Parties are
3 unable to reach agreement on the form or content of any document needed to implement the Settlement,
4 or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement,
5 the Parties may seek the assistance of the Court to resolve such disagreement.

6 84. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
7 and inure to the benefit of, the successors or assigns of the Parties.

8 85. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
9 will be governed by and interpreted according to the laws of the State of California.

10 86. Execution and Counterparts. This Settlement Agreement is subject to the execution of
11 all Parties. The Settlement Agreement may be executed in one or more counterparts. All executed
12 counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned copies of
13 the signature page, will be deemed to be one and the same instrument.

14 87. Acknowledgement that the Settlement Is Fair and Reasonable. The Parties believe this
15 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
16 this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into
17 account all relevant factors, present and potential. The Parties further acknowledge that they are each
18 represented by competent counsel and that they have had an opportunity to consult with their counsel
19 regarding the fairness and reasonableness of this Settlement.

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

24 89. Waiver of Certain Appeals. With the exception of the right to appeal a reduction of any
25 award of attorneys' fees, costs, and expenses as provided herein, Plaintiffs and Defendant hereby waive
26 their right to appeal or seek other judicial review of any order that is materially consistent with the
27 terms of this Settlement Agreement. Should an appeal be taken by Plaintiffs or Class Counsel as to the
28 amount awarded in attorney's fees, costs, or expenses as provided herein, any such appeal shall not

1 affect distribution of the uncontested portion of the Net Settlement Amount to Class Members, which
2 shall be distributed to them as provided for herein. In addition, Defendant agrees not to oppose any
3 such appeal, and Plaintiffs and Class Counsel agrees to indemnify Defendant for reasonable costs and
4 fees incurred due to any such appeal by Plaintiffs or Class Counsel, including any additional
5 administrative costs incurred as a result of multiple distributions of settlement funds by the Settlement
6 Administrator due to any such appeal.

7 90. Class Certification for Settlement Purposes Only. The Parties stipulate to class
8 certification of any claims not yet certified for purposes of implementing the Settlement only, and in
9 no way is that an admission by Defendant that class certification is proper. The Settlement will not be
10 admissible in any proceeding as evidence that (i) a class or collective should be certified as Plaintiffs
11 have proposed for any claims, including but not limited to any currently non-certified claims; (ii) the
12 Action should proceed on a representative basis pursuant to PAGA; or (iii) Defendant is liable to
13 Plaintiffs or any other individuals they claim to represent in the Action in connection with any claims
14 that were or could have been asserted in the Action.

15 91. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
16 that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In
17 entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any
18 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute
19 or any other applicable laws, regulations, or legal requirements; breached any contract; violated or
20 breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
21 conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or
22 provisions, nor any of the negotiations connected with it, will be construed as an admission or
23 concession by Defendant of any such violations or failures to comply with any applicable law. Except
24 as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its
25 terms and provisions will not be offered or received as evidence in any action or proceeding to establish
26 any liability or admission on the part of Defendant or to establish the existence of any condition
27 constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.

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1 92. Media Restrictions. The Parties and their counsel agree that they will not issue any
2 press releases or initiate any contact with the media about the fact, amount, or terms of the Settlement.
3 Unless required by applicable law, neither Plaintiffs nor Class Counsel shall publicize the terms of this
4 Settlement Agreement in any medium or initiate or issue any press release or have any communications
5 to the press or media concerning the Settlement of the Action, and/or this Settlement Agreement, except
6 as posted by the Settlement Administrator as ordered by the Court. Class Counsel shall not include,
7 and shall affirmatively remove, any reference to any of the foregoing subjects in any advertising, mass
8 mailing, website, or other communication. If counsel for either Party receives an inquiry about the
9 Settlement from the media, counsel may respond only after the motion for Preliminary Approval has
10 been filed and only by confirming the terms of the Settlement. Notwithstanding the foregoing, nothing
11 will prevent Class Counsel from communicating confidentially with Settlement Class Members as
12 necessary to fulfill their obligations as Class Counsel. Additionally, this provision shall not preclude
13 Class Counsel from referencing this Settlement as evidence of their experience in any motion for class
14 certification, preliminary or final approval, or the like, in any other matter.

15 93. Waiver. No waiver of any condition or covenant contained in this Settlement
16 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to
17 imply or constitute a further waiver by such party of the same or any other condition, covenant, right,
18 or remedy.

19 94. Enforcement Actions. In the event that one or more of the Parties institutes any legal
20 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
21 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
22 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
23 expert witness fees incurred in connection with any enforcement actions.

24 95. Disputes Regarding Settlement Agreement. In the event that there are any disputes
25 arising out of or relating to the implementation of this Settlement Agreement, any such dispute will be
26 submitted to Daniel J. Turner, Esq. or a mutually agreeable mediator for mediation.

27 96. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
28 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be

construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

97. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

98. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

99. 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.

100. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, with retention of jurisdiction by the Court as provided herein, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms.

SIGNATURE PAGES FOLLOW

READ CAREFULLY BEFORE SIGNING.

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Dated:

Michael Monteleone
Plaintiff and Class Representative

Dated: 9/3/2025

DocuSigned by:

6E095AF6ACGF4AE

Teresa Maciel
Plaintiff and Class Representative

Dated: August 29, 2025

By: 
Authorized Agent for
Schell & Kampeter, Inc.
Defendant

APPROVED AS TO FORM

Dated: August 29, 2025

LITTLER MENDELSON, P.C.

By: 

John P. Nordlund
Christopher A. Moore
Attorneys for Defendant

Dated:

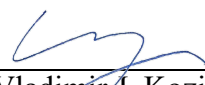
CAPSTONE LAW APC

By: _____

Raul Perez
Robert Drexler
Molly DeSario
Robert Myong
Attorneys for Plaintiffs

Dated: September 2, 2025

MAYALL HURLEY, P.C.

By: 

Vladimir J. Kozina
William J. Gorham, III
Robert J. Wassermann
Attorneys for Plaintiffs

4916-8517-6929.1 / 124683.1001

Dated: 9/4/2025

Signed by:

Michael Monteleone

2897A7DAB6E444E

Michael Monteleone
Plaintiff and Class Representative

Dated:

Teresa Maciel
Plaintiff and Class Representative

Dated:

By: Authorized Agent for
Schell & Kampeter, Inc.
Defendant

APPROVED AS TO FORM

Dated:

LITTLER MENDELSON, P.C.

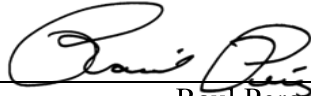
By: _____

John P. Nordlund
Christopher A. Moore
Attorneys for Defendant

Dated: September 4, 2025

CAPSTONE LAW APC

By: _____


Raul Perez
Robert Drexler
Molly DeSario
Robert Myong
Attorneys for Plaintiffs

Dated:

MAYALL HURLEY, P.C.

By: _____

Vladimir J. Kozina
William J. Gorham, III
Robert J. Wassermann
Attorneys for Plaintiffs

4916-8517-6929.1 / 124683.1001

Exhibit A

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN JOAQUIN**
Michael Monteleone and Teresa Maciel v. Shell & Kampeter, Inc.
Case No. STK-CV-UOE-2023-0011330

**NOTICE OF PENDENCY OF CLASS ACTION, PRELIMINARY APPROVAL OF
SETTLEMENT AND HEARING FOR FINAL APPROVAL**

IMPORTANT: THIS LEGAL NOTICE AFFECTS YOUR RIGHTS. PLEASE READ IT CAREFULLY. YOU ARE NOT BEING SUED.

TO: All current and former non-exempt employees of Schell & Kampeter, Inc. who worked in California at any time during the period of July 20, 2022, through May 23, 2025.

RE: Notice of settlement of a class action lawsuit for alleged wage and hour violations and announcement of a court hearing that you may choose to attend. You are entitled to receive a payment under the terms of this class action settlement.

YOUR OPTIONS UNDER THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be included as a member of the class, you will be bound by this Settlement, and you will receive a payment.
OBJECT	You may submit a written objection about why you believe that the Settlement is unfair. Any objection must be received by [REDACTED], 2025. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement.
OBJECT AND GO TO A HEARING	If you submit a written objection about why you believe that the Settlement is unfair, you may also speak to the Court about why you believe that the Settlement is unfair. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement.
EXCLUDE YOURSELF	If you wish to be excluded from the Settlement, you must submit a written election not to participate known as an “opt-out” by no later than [REDACTED], 2024. If you opt-out, you will not be bound by the Settlement and will not receive a payment.

1. WHAT IS THIS LAWSUIT ABOUT?

On October 27, 2023, Michael Monteleone filed a putative wage and hour class action against Defendant in San Joaquin County Superior Court, styled as *Michael Monteleone v. Schell & Kampeter, Inc., et al.*, Case No. STK-CV-UOE-2023-11330 (“*Monteleone Action*”), alleging claims for: 1) Violation of California Labor Code sections 510 and 1198 (Unpaid Overtime); 2) Violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 (Unpaid Minimum Wages); 3) Violation of California Labor Code sections 226.7, 512(a), 516, and 1198 (Failure to Provide Meal Periods); 4) Violation of California Labor Code sections 226.7, 516, and 1198 (Failure to Authorize and Permit Rest Periods); 5) Violation of California Labor Code sections 226(a), 1174(d), and 1198 (Non-Compliant Wage Statements and Failure to Maintain Payroll Records); 6) Violation of California Labor Code sections 201 and 202 (Wages Not Timely Paid Upon Termination); 7) Violation of California Labor Code section 204 (Failure to Timely Pay Wages During Employment); 8) Violation of California Labor Code section 2802 (Unreimbursed Business Expenses); and 9) two claims for Violations of California Business and Professions Code sections 17200 *et seq.* (Unfair Business Practices).

On November 2, 2023, Teresa Maciel filed a putative wage and hour class action against Defendant in San Joaquin County Superior Court, styled as *Teresa Maciel v. Schell & Kampeter, Inc., et al.*, Case No. STK-CV-2023-11530 (“*Maciel Action*”), alleging claims for: 1) Failure to Pay Overtime Wages; 2) Failure to Pay Sick Time at the Regular Rate of Pay; 3) Failure to Pay Meal Premium Wages at the Regular Rate of Pay; 4) Failure to Timely Pay Wages at Cessation of Employment; 5) Failure to Furnish Accurate Itemized Wage Statements; and 6) Violation of Business and Professions Code sections 17200 *et seq.*

On January 5, 2024, Plaintiff Maciel filed a First Amended Complaint to add a cause of action under the Labor Code Private Attorneys General Act of 2004, Labor Code section 2698 *et seq.* (“PAGA”), and on April 23, 2024, Plaintiff Monteleone filed First Amended Complaint to add a cause of action under PAGA. Both cases are pending in San Joaquin County Superior Court under Hon. Jayne Lee.

On [DATE], Plaintiff Monteleone filed a Second Amended Complaint, which added Plaintiff Maciel as a named Plaintiff as well as added all of the claims and factual allegations asserted in the *Maciel Action*. On [DATE] the Court dismissed the *Maciel Action* without prejudice.

Plaintiffs are represented by Capstone Law APC and Mayall Hurley P.C., which have been appointed by the Court to act as attorneys for the Class (referred to as “Class Counsel”).

In sum, Plaintiffs allege that Defendant failed to do the following with respect to Plaintiffs and other current and former non-exempt employees in California: 1) failed to properly calculate and pay overtime, 2) failed to pay minimum wage and overtime for all time worked; 3) failed to furnish compliant meal periods or pay required premium wages; 4) failed to furnish compliant rest periods or pay required premium wages; 5) failed to pay sick pay at the proper rate; 6) failed to pay wages due at cessation of employment; 7) failed to furnish accurate itemized wage statements or maintain required payroll records; 8) failed to reimburse business expenses; 9) engaged in unfair business practices based on the foregoing, and 10) representative claims under PAGA based on

these allegations, including alleged violations of Labor Code sections 201, 202, 204, 226(a), 226.7, 246, 248.6, 510, 512(a), 516, 558, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

DEFENDANT STRONGLY DENIES LIABILITY FOR ALL OF PLAINTIFFS' CLAIMS AND HAS RAISED VARIOUS FACTUAL AND LEGAL DEFENSES TO THESE CLAIMS. DEFENDANT HAS AGREED TO THE PROPOSED SETTLEMENT TO RESOLVE THE CLAIMS IN THE *MONTELEONE* AND *MACIEL* ACTIONS WITHOUT ANY ADMISSION OF WRONGDOING.

THE COURT HAS MADE NO DETERMINATION ABOUT THE STRENGTHS AND WEAKNESSES OF THE CLAIMS OR CONTENTIONS OF EITHER PLAINTIFFS OR DEFENDANT. THIS NOTICE IS NOT TO BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED BY EITHER SIDE. THERE HAVE BEEN ONGOING INVESTIGATIONS AND SUBSTANTIAL EXCHANGES OF INFORMATION. AS A RESULT OF SETTLEMENT DISCUSSIONS, THE PARTIES REACHED A CLASS SETTLEMENT.

2. WHY DID I RECEIVE THIS NOTICE?

The Parties have settled this class action and PAGA lawsuit. Your employment records indicate that you are a member of the Class. If the Court approves the proposed settlement, your legal rights may be affected. This Notice, which has been approved by the Court, is only a summary. A more detailed document, called the "Class Action and PAGA Settlement Agreement and Release," containing the complete terms of the settlement, is on file with the Court.

3. WHO IS COVERED BY THE CLASS ACTION AND PROPOSED SETTLEMENT?

A. Who are the Class Members?

The proposed settlement covers the claims of certain current and former employees of Defendant (referred to as the "Settlement Class Members" and collectively as the "Settlement Class"). The Settlement Class consists of all current and former non-exempt employees of Defendant who worked in the State of California at any time during the period of July 20, 2022, through May 23, 2025 (the "Class Period").

The PAGA Settlement Members consist of all current and former employees of Defendant who worked in California at any time during the period of October 27, 2022 through May 23, 2025 (the "PAGA Period").

Defendant's records indicate that you are a member of the Settlement Class. Defendant's records indicate that you worked for Schell & Kampeter, Inc. from [DATES OF EMPLOYMENT].

B. What is the Effect of Membership in the Settlement Class?

If you are a member of the Settlement Class defined above, you are automatically a Participating Settlement Class Member unless you opt-out (i.e., exclude yourself from the Settlement by following the procedures set forth in this Notice). If the Settlement is approved by

the Court, you are entitled to payment under the Settlement and will be bound by its terms. Individuals who opt-out will not be bound by the Settlement and will not be eligible to receive a payment. However, if you are also a PAGA Settlement Member, you will be bound by the release of the PAGA claims set forth in the Settlement Agreement whether or not you choose to opt-out of the Settlement.

4. WHAT ARE THE TERMS OF THE SETTLEMENT?

The proposed Settlement was agreed upon between the Parties after a mediation with Daniel J. Turner, Esq. on May 9, 2025. Class Counsel believes that this Settlement, the terms of which are summarized below, is fair, reasonable, adequate, and in the best interests of the Settlement Class.

A. Overall Summary of the Settlement Terms.

Defendant will pay \$650,000.00 to settle the claims of the Settlement Class (referred to as the "Gross Settlement Fund"). The Gross Settlement Fund includes payments to Participating Settlement Class Members and PAGA Settlement Members, the fees and costs of the Settlement Administrator, a required payment to the State of California, the Class Representative Enhancement Payments for their service to the Class, and Class Counsel's attorneys' fees and reasonable costs. The remainder, after deduction of these payments is known as the "Net Settlement Amount."

B. Costs of Claims Administrator.

The Parties have agreed to employ ILYM Group, Inc. to serve as Settlement Administrator. The Settlement Administrator's fees and costs for administering the Settlement, estimated to be no more than \$6,950.00, if approved by the Court, will be paid out of the Gross Settlement Fund.

C. Class Representative Enhancement Payments.

Plaintiffs Michael Monteleone and Teresa Maciel have been approved by the Court to serve as Class Representatives. As Class Representatives, they are entitled to payment for their service to the Class. The Parties have agreed, and the Court has preliminarily approved a payment of \$10,000 each (\$20,000 total) to Michael Monteleone and Teresa Maciel for their service to the Class.

D. Class Counsel's Fees and Costs.

Class Counsel are entitled to attorney's fees and costs for representing the Class. Class Counsel will request for attorneys' fees of thirty-five percent (35%) of the Gross Settlement Fund, or \$227,500.00, and reimbursement of declared litigation costs of up to \$30,000.00. The attorney's fees will be divided equally between Capstone Law APC and Mayall Hurley, P.C. Defendant does not object to the fees and costs sought by Class Counsel. The Court has preliminarily approved payment to Class Counsel in the amount set forth above.

E. Payment to the State of California.

The Settlement allocates \$30,000 of the Gross Settlement Fund to any civil penalties under

the Private Attorneys General Act ("PAGA") that could be awarded as a result of the violations alleged. Of that amount, \$22,500 (75% of \$30,000) will be paid to the State of California's Labor and Workforce Development Agency, and the remaining \$7,500 (25% of \$30,000) will be paid to PAGA Settlement Members. Defendant does not object to the PAGA allocation.

F. What Can I Expect to Receive?

i. Individual Settlement Payment:

Each Participating Settlement Class Member will receive a proportionate share of the remaining Net Settlement Amount equal to: (i) the number of weeks he or she worked during the Class Period based on the Class List provided by Defendant, divided by (ii) the total number of weeks worked by any and all Participating Settlement Class Members collectively, during the Class Period based on the same Class List, which is then multiplied by the remaining Net Settlement Amount. One day worked in a given week will be credited as a week for purposes of this calculation.

ii. Individual PAGA Payment:

All PAGA Settlement Members will receive an Individual PAGA Payment calculated and apportioned from the 25% portion of the PAGA Settlement Amount allocated to PAGA Settlement Members on a pro rata basis depending on the number of "weeks worked" or "workweeks" in which a PAGA Settlement Member performed at least one day of work for Defendants during the PAGA Period.

Defendant's records indicate that you are a member of the Settlement Class [and a PAGA Settlement Member]. Its records also indicate that you worked [] workweeks during the Class Period [and [] workweeks during the PAGA Period].

It is estimated that your Individual Settlement Payment will be \$ [] [and your PAGA Settlement Payment will be \$ []]. It will not be possible to know the exact amount of your payment until the Response Deadline has passed and the Settlement Administrator knows the number of Participating Settlement Class Members.

For tax purposes, the Individual PAGA Payments from the PAGA Settlement Amount will be treated as 100% penalties and will be reported on IRS Form 1099. Individual Settlement Payments will be allocated as follows: (i) Twenty Percent (20%) to settlement of wage claims and (ii) eighty percent (80%) to settlement of claims for interest and statutory penalties. Nothing in this Notice, or in any of the settlement documents, is intended to provide any tax advice and you understand that Defendant, Defendant's counsel, Plaintiffs, and Plaintiffs' counsel are not giving any tax advice.

5. WHAT AM I GIVING UP IF I DO NOT OPT-OUT OF THE SETTLEMENT?

If the Settlement is approved, Plaintiffs Monteleone and Maciel, and each Participating Settlement Class Member, release and discharge Defendant and each of their past, present, and/or future, direct, and/or indirect, officers, directors, members, managers, employees, agents,

representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint ventures (“Released Parties”) from the following claims and liabilities (the “Released Class Claims”):

All claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal theories of relief, that are asserted in the operative complaints of the Actions, or which could have been pled based on the material facts asserted in the operative complaints of the Actions arising during the Class Period, including any and all claims that Defendant: 1) failed to properly calculate and pay overtime; 2) failed to pay minimum wage and overtime for all time worked; 3) failed to furnish compliant meal periods or pay required premium wages; 4) failed to furnish compliant rest periods or pay required premium wages; 5) failed to pay sick pay at the proper rate; 6) failed to pay wages due at cessation of employment; 7) failed to furnish accurate itemized wage statements or maintain required payroll records; 8) failed to reimburse business expenses; 9) engaged in unfair business practices based on the foregoing, and 10) representative claims under PAGA based on these allegations, including alleged violations of and civil penalties pursuant to Labor Code sections 201, 202, 204, 210, 226(a), 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 248.6, 249, 256, 510, 512(a), 516, 558, 1174(d), 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

In addition, as of the Effective Date, Plaintiffs on behalf of themselves, the Labor and Workforce Development Agency, and the other PAGA Settlement Members, release Defendant and Released Parties from any and all claims for civil penalties pursuant to PAGA that are asserted in the operative complaints of the Actions, or which could have been pled based on the material facts asserted in Plaintiffs’ PAGA Notices or the operative complaints of the Actions arising during the PAGA Period. (“Released PAGA Claims”).

If you do NOT exclude yourself by following the procedures set forth in this Notice and the Court approves the proposed Settlement, you will be deemed to have released the aforementioned claims, as appropriate, and will receive a payment. Even if you exclude yourself, you will still be bound by the release of the Released PAGA Claims if the Court approves this settlement.

6. HOW DO I RECEIVE A PAYMENT?

All Settlement Class Members will receive a payment under this Settlement unless they opt out. All PAGA Settlement Members, will receive a PAGA payment whether or not they opt out. If you are a Settlement Class Member and/or PAGA Settlement Member and you move or change your address, and you want to receive your payment at your new address, you must send a notice of your change of address to the Settlement Administrator ILYM Group, Inc., **ADDRESS, CITY, STATE ZIP, TELEPHONE, EMAIL**.

7. **WHAT ARE MY RIGHTS AND OPTIONS?**

If you are a Settlement Class Member as defined above, you have the following rights and options under the proposed Settlement:

A. Participate in the Settlement, be represented by Class Counsel, and take no action.

If you take no further action, you will be a Participating Settlement Class Member, will be represented by Class Counsel, and will have the right to an Individual Settlement Payment. If the Settlement is approved by the Court, you will be bound by the terms of the Settlement and, as set forth above, will be deemed to have released your claims against Defendant. As a Participating Settlement Class Member, you will not be charged for the services of Class Counsel.

B. Participate in the Settlement but elect to hire your own attorney.

If you do not wish to be represented by Class Counsel, you may hire your own attorney. Your attorney must send a Notice of Appearance to the Settlement Administrator at the address listed below, so that it is received no later than [REDACTED], 2025. You will be responsible for any attorneys' fees and costs charged by your attorney.

C. Exclude yourself from the Settlement by opting out.

If you are a Settlement Class Member but do not want to participate in the settlement, you may exclude yourself by opting out. If you choose to opt out, you will lose any right to participate in the settlement and you will not be eligible to receive an Individual Settlement Payment. You will be free to pursue any claims you may have against Defendant on your own behalf, but Class Counsel will not represent you. However, as discussed above, Settlement Class Members may not opt out of the settlement of the PAGA claim, and PAGA Settlement Members will be bound by the release of the Released PAGA Claims regardless of whether they opt out of the Settlement.

In order to opt out, you must notify the Settlement Administrator, in writing, at the address listed below. In order to be effective, your opt-out must be postmarked or delivered to the Settlement Administrator no later than [45 days from the mailing of the Class Notice], and must be signed, contain your full name, current home (or mailing address), the last four digits of your Social Security number, and written affirmation of your desire to optout containing the following or substantially similar language:

“I elect to opt out of the *Monteleone v. Schell & Kampeter, Inc.* class action settlement. I understand that by doing so, I will not be able to participate in the settlement and will not receive a share of the settlement.”

If you do not comply with these procedures, you will lose any opportunity to exclude yourself from the settlement, you will be a Participating Settlement Class Member, will be represented by Class Counsel, and will receive an Individual Settlement Payment. If the settlement

is approved by the Court, you will be bound by the terms of the settlement and, as set forth above, will be deemed to have released your claims against Defendant.

D. Object to the terms of the Settlement.

All Class Members who do not opt out (“Participating Class Members”) have the right to object to the Settlement, either in writing or at the Final Approval Hearing. All written objections and supporting papers must (a) clearly identify the case name and number (i.e., *Monteleone v. Schell & Kampeter Inc., et al.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2023-11330), (b) include your full name, address, telephone number, (c) concisely state the grounds for your objection, including the legal and factual arguments supporting that objection, (d) identify any witness(es) you intend to call to testify at the Final Approval Hearing, (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval Hearing, (f) indicate whether you are represented by counsel and, if so, identify such counsel, (g) indicate whether you would like to appear at the Final Approval Hearing, and (h) be signed. To be timely, your written objection must be mailed to the Court and the Settlement Administrator, postmarked on or before **[45 days following the mailing of the Notice]**.

Alternatively, Participating Class Members can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection.

You may be represented by an attorney at the Final Approval Hearing. Any attorney who will represent an individual objecting to the settlement must file a notice of appearance with the Court and serve counsel for all parties on or before **[15 calendar days before the Final Approval Hearing]**. All objections or other correspondence must state the name and number of the case – *Monteleone v. Schell & Kampeter Inc., et al.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2023-11330.

However, PAGA Settlement Members have no right to object to the settlement and release of the Released PAGA Claims.

8. WHEN IS THE COURT HEARING AND WHAT IS IT FOR?

The Court will hold the Final Approval Hearing in the San Joaquin County Courthouse, 180 E. Weber Ave., Stockton, California, 95202 on **[REDACTED]**, 2025, at **[TIME]**, in Department **[REDACTED]**, to determine whether the settlement should be finally approved as fair, reasonable and adequate. The Court will also be asked to approve the fees and costs of the Settlement Administrator, the payment to the State of California, the Class Representative Enhancement Payments, and the fees and costs of Class Counsel. **It is not necessary for you to appear at this hearing to participate in the settlement.** If you want to be heard orally in support of or in opposition to the Settlement, either personally or through counsel, you must comply with the procedures set forth above.

9. HOW CAN I GET MORE INFORMATION?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the Class Action and PAGA Settlement Agreement and Release. The Class Action and PAGA Settlement Agreement and Release, as well as the pleadings and other records in this litigation, including Motion for Preliminary Approval, Motion for Final Approval, and Motion for Attorneys' Fees, Costs and Service Payment, are available by accessing the Court docket in this case through the Court's website at www.sjcourts.org, or by visiting the Clerk of the Court at any time between 8:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court Holidays, in the Civil Clerk's Office located at 180 E. Weber Ave., Stockton, California 95202.

If you have questions about the Settlement, you may contact Class Counsel or the Claims Administrator as follows:

<u>Class Counsel</u>
Robert Drexler, Esq. Robert Myong, Esq. Jonathan Lee, Esq. Capstone Law, APC 1875 Century Park East, Suite 1000 Los Angeles, California 90067 Telephone: <i>Case-Specific Number</i> Vladimir J. Kozina, Esq. William J. Gorham, Esq. Robert J. Wassermann, Esq. Mayall Hurley P.C. 2453 Grand Canal Blvd. Stockton, CA 95207 Telephone: (209) 477-3833
<u>Claims Administrator</u>
Monteleone v. Schell & Kampeter, Inc. c/o ILYM Group, Inc. ADDRESS CITY, STATE ZIP Telephone: ()

**PLEASE DO NOT WRITE OR TELEPHONE THE COURT FOR INFORMATION
ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.**

THE COURT HAS APPROVED THIS NOTICE.