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*Attorneys for Plaintiff*

URBANO ZAVALA LOPEZ, individually,  
and on behalf of other similarly situated employees and  
aggrieved employees pursuant to the California Private Attorneys General Act

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF RIVERSIDE**

URBANO ZAVALA LOPEZ, individually,  
and on behalf of other similarly situated  
employees and aggrieved employees pursuant  
to the California Private Attorneys General  
Act,

Plaintiff,

vs.

FOOD FOR LIFE BAKING CO., INC., a  
California corporation; and DOES 1 through  
25, inclusive,

Defendants.

Case No. CVRI2305901

Honorable Harold W. Hopp  
Department 1

**DECLARATION OF ALEXANDRA ROSE IN  
SUPPORT OF PLAINTIFF'S MOTION FOR  
PRELIMINARY APPROVAL OF CLASS  
ACTION AND PAGA SETTLEMENT**

Date: January 5, 2026  
Time: 8:30 a.m.  
Dept.: 1

Complaint Filed: November 2, 2023  
FAC Filed: October 16, 2025  
Trial Date: Not Set

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1. I am an attorney duly licensed to practice law in all Courts of the State of California. I am a member of Blackstone Law, APC (“Class Counsel”), attorneys of record for Plaintiff Urbano Zavala Lopez (“Plaintiff”). I have personal knowledge of the facts contained herein, and, if called to testify, I could and would competently do so.

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1 attended all hearings; attended all mediations; coordinated with class action administrators; prepared  
2 and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all  
3 other intricate facets of litigation. During that time, he represented a wide range of clients from sole  
4 proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of  
5 the cases he managed were highly publicized, with articles written about them in the Los Angeles  
6 Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has  
7 regularly honored him as a Southern California Rising Star since 2012.

8 4. Miriam L. Shimmel is a 28-year litigator who joined Blackstone Law, APC in June  
9 2022, following ten years of working with two well-known plaintiff-side wage and hour law firms in  
10 Los Angeles. She obtained her Bachelor of Arts degree in Political Science from the University of  
11 California at Los Angeles in 1992. Thereafter, she received her law degree from Loyola Law School  
12 in 1996 and was admitted to the California State Bar in December 1996. Since her admission to the  
13 Bar, she has devoted her practice to a wide variety of litigation matters on both the plaintiff and defense  
14 side, including general business, toxic tort, medical device, and pharmaceutical matters. Since 2010,  
15 her practice has been devoted almost entirely to employment litigation consisting of wage and hour  
16 class actions and representative actions pursuant to PAGA, as well as individual actions based on  
17 violations of the Fair Employment and Housing Act ("FEHA"). Approximately 75% of her work in  
18 this regard has been on behalf of employees (plaintiffs), while the remaining 25% was on behalf of  
19 employers/businesses. On many of those cases, she was the senior lead attorney managing the  
20 litigation and overseeing other attorneys. In that capacity, she obtained extensive experience analyzing  
21 potential wage and hour and wrongful termination claims for viability; took and defended hundreds of  
22 depositions; propounded and responded to discovery; prepared and opposed a wide variety of motions  
23 and pleadings, including dispositive and certification motions, as well as settlement approval motions;  
24 strategized on all cases; participated in and directed communication with class members; attended  
25 hearings; led and participated in mediations; coordinated with class action administrators; prepared  
26 and worked with experts; and engaged in all other related aspects of litigation in state, federal,  
27 complex, and appellate courts.

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1           5.       Joana Fang is a highly skilled eight-year lawyer who is part of the team at Blackstone  
2 Law, APC that litigated this matter. She is a 2015 graduate of Loyola Law School, and a 2011 graduate  
3 of University of California, Berkeley where she was a double major in Legal Studies and Media  
4 Studies. Since passing the Bar, Ms. Fang has exclusively represented plaintiffs in wage and hour  
5 litigation, as well as catastrophic injury complex litigation. She is admitted to the State of California,  
6 all federal district courts of California, and the U.S. Court of Appeals for the 9th Circuit. She was  
7 most recently recognized as a 2025 Southern California Rising Star by Super Lawyers.

8           6.       I joined Blackstone Law, APC from a highly reputable employment law firm. I  
9 graduated from the University of California, Los Angeles with a Bachelor of Arts degree in 2016 and  
10 from New England Law | Boston with a Juris Doctor degree in 2019. I was admitted to the State Bar  
11 of California in December of 2019 and the State Bars of New York and New Jersey in 2023. I am  
12 additionally licensed in all federal district courts of California. I have worked on many wage and hour  
13 class action and PAGA representative matters, and my work has included, *inter alia*, researching and  
14 drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing stipulations  
15 and settlement agreements, engaging in motion practice, claims evaluation and analysis, and making  
16 court appearances. I manage the post-settlement department at Blackstone. In that capacity, I oversee  
17 and handle over 100 wage-and-hour putative class actions and/or representative actions under PAGA  
18 that are in settlement.

19           7.       Jared C. Osborne joined Blackstone Law, APC also from a highly reputable  
20 employment law firm. He graduated from New York University with a Bachelor of Arts degree in  
21 2009 and from University of Southern California Gould School of Law (USC) with a Juris Doctor  
22 degree in 2020. While at USC, he was an Executive Senior Editor on the Southern California Law  
23 Review and graduated in the top 10% of his class. He was admitted to the State Bar of California in  
24 February 2021. Since his admittance, he has worked exclusively as a plaintiff's side employment  
25 attorney handling both individual and class action cases. He was most recently recognized as a 2025  
26 Southern California Rising Star by Super Lawyers.

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8. Blackstone Law, APC has been counsel of record on several class action and PAGA actions that have since been resolved, the most recent of which are attached hereto as **Exhibit 1**.

**Procedural History of the Action**

**(CMO Paragraph G(3)(a)(vi))**

9. On November 2, 2023, Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) by online submission and to Defendant Food for Life Baking Co., Inc. (“Defendant”) by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specified provisions of the California Labor Code alleged to have been violated by Defendant (“PAGA Letter”). A true and correct copy of the PAGA Letter is attached hereto as **Exhibit 2**.

10. On November 2, 2023, Plaintiff filed a Class Action Complaint for Damages in the action entitled *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Riverside County Superior Court Case No. CVRI2305901 (“Action”), thereby commencing a putative class action against Defendant.

11. On January 29, 2024, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* in the action entitled *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Riverside County Superior Court Case No. CVRI2400455 (“PAGA Action”), which alleged one cause of action under PAGA against Defendant.

12. On February 1, 2024, Plaintiff propounded written formal discovery onto Defendant (specifically, Special Interrogatories (Set One)), and served a proposed Belaire-West Notice.

13. On August 30, 2024, Plaintiff and Defendant (together, the “Parties”) participated in a formal mediation conducted by Tripper Ortman, Esq. (“Mediator”), a neutral and respected mediator with extensive experience in complex wage and hour matters, which did not result in a settlement at that time.

14. On September 27, 2024, Defendant propounded its Response to Plaintiff’s Special Interrogatories, Set One to Plaintiff.

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1           15.    On October 15, 2024, after further negotiations and with the assistance of the  
2 Mediator’s evaluations, the Parties were able to reach an agreement to resolve this dispute on a class  
3 and representative basis. The Parties then worked diligently to negotiate and memorialize the terms  
4 in a long-form settlement agreement

5           16.    On October 16, 2025, Plaintiff filed a First Amended Class and Representative Action  
6 Complaint (“Operative Complaint”) in the Action, which added the claims alleged in the PAGA  
7 Action. The Operative Complaint alleges ten (10) causes of action for violations of the California  
8 Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide  
9 compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest  
10 periods and premiums payments in lieu thereof, failure to timely pay wages during employment,  
11 failure to provide accurate wage statements, failure to timely pay wages upon termination, and failure  
12 to reimburse necessary business expenses, for violations of California Business & Professions Code  
13 Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil  
14 penalties under PAGA based on the aforementioned California Labor Code violations.

15           17.    On October 29, 2025, Plaintiff dismissed the PAGA Action without prejudice.

16           18.    On November 18, 2025, the Parties executed the Class and PAGA Representative  
17 Action Settlement Agreement (“Settlement” or “Settlement Agreement”). A true and correct copy of  
18 the Settlement Agreement is attached hereto as **Exhibit 3**.

19                   **Summary of the Terms of the Settlement Agreement**

20                   **(CMO Paragraphs G(3)(a)(i), G(3)(a)(iv), G(3)(a)(v), G(3)(c), G(3)(i), and G(3)(j))**

21           19.    For purposes of settlement only, the Parties have agreed that the Class shall be defined  
22 as “all current and former hourly-paid and/or non-exempt employees who worked for Defendant in  
23 the State of California at any time during the Class Period” (“Class” or “Class Member(s)”). The  
24 Class Period is defined as the period from November 2, 2019 through December 31, 2024. Based on  
25 information provided by Defendant, it is estimated that there are a total of one hundred and thirty-five  
26 (135) Class Members who worked twenty-one thousand one hundred and seventy-six (21,176) weeks  
27 for Defendant, for at least one day, as hourly-paid and/or non-exempt employees in California during  
28 the Class Period (“Workweek(s)").

20. The Parties have agreed to settle the class and PAGA claims at issue in the Operative Complaint for a non-reversionary Gross Settlement Amount of Eight Hundred Forty Thousand Dollars and Zero Cents (\$840,000.00), exclusive of employer-side payroll taxes. The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees, and other allocations. The Gross Settlement Amount includes: (1) Class Counsel’s fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$294,000.00 if the Gross Settlement Amount is \$840,000.00); (2) Class Counsel’s actual litigation costs and expenses, not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00); (3) Settlement Administration Costs, not to exceed Eight Thousand Dollars and Zero Cents (\$8,000.00); and (4) PAGA Amount in the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00). After the above-estimated amounts are deducted from the Gross Settlement Amount, the Net Settlement Amount that will be available for Class Members is currently estimated to be Four Hundred Sixty-Three Thousand Dollars and Zero Cents (\$463,000.00).

21. Additionally, 25% of the PAGA Amount (“PAGA Employee Amount”), which is \$12,500.00 out of \$50,000.00, will be fully distributed to “all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period” (“PAGA Employee(s)”). The “PAGA Period” is defined as the period from November 2, 2022 through the date of Preliminary Approval. Based on information provided by Defendant, it is estimated that there are a total of ninety-six (96) PAGA Employees who worked eleven thousand five hundred and ninety-two (11,592) pay periods for Defendant for at least one day during the PAGA Period (“Pay Period(s)”).

22. If it is determined by the Settlement Administrator that the actual number of Workweeks worked by Class Members during the Class Period grows by more than ten percent (10%), or more than 22,000 Workweeks, then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. As provided above, Defendant has represented that there are a total of 21,176 Workweeks. Accordingly, the Escalator Clause has not been triggered.

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23. The Net Settlement Amount will be distributed and paid to all Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Member(s)”) on a *pro rata* basis based on their number of Workweeks. The *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class Settlement (“Individual Settlement Share”) will be calculated by the Settlement Administrator, in accordance with the Settlement Agreement. The highest Individual Settlement Share is estimated to be \$5,881.52<sup>1</sup>, the average Individual Settlement Share is estimated to be \$3,429.63, and the lowest Individual Settlement Share is estimated to be \$21.86.

24. The PAGA Employee Amount will be distributed and paid to all PAGA Employees on a *pro rata* basis based on their number of Pay Periods. The *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement (“Individual PAGA Payment”) will be calculated by the Settlement Administrator, in accordance with the Settlement Agreement. The highest Individual PAGA Payment is estimated to be \$177.92<sup>2</sup>, the average Individual PAGA Payment is estimated to be \$130.21, and the lowest Individual PAGA Payment is estimated to be \$1.08.

25. Each Individual Settlement Share will be allocated as twenty-five percent (25%) wages and seventy-five percent (75%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their net payment of their Individual Settlement Share (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of

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<sup>1</sup> The estimated highest Individual Settlement Share assumes a Class Member worked every Workweek in the Class Period. Accordingly, if it is determined by the Settlement Administrator that the highest number of Workweeks that one Class Member worked is less than every Workweek in the Class Period, the highest Individual Settlement Share will be less than \$5,881.52.

<sup>2</sup> The estimated highest Individual PAGA Payment assumes a PAGA Employee worked every Pay Period in the PAGA Period. Accordingly, if it is determined by the Settlement Administrator that the highest number of Pay Periods that one PAGA Employee worked is less than every Pay Period in the PAGA Period, the highest Individual PAGA Payment will be less than \$177.92.

Individual Settlement Shares will be paid by Defendant separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

26. The Settlement Agreement is a non-reversionary and non-claims made settlement. The Net Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount will be fully distributed to the LWDA and PAGA Employees, in accordance with the Settlement Agreement. No money will revert to Defendant.

27. Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. The Settlement Administrator shall mail a reminder postcard by First Class U.S. Mail to any Settlement Class Member and/or PAGA Employee whose Individual Settlement Payment and/or Individual PAGA Payment check has not been negotiated within sixty (60) calendar days after the date of mailing. Any funds associated with such canceled checks will be distributed by the Settlement Administrator to the State of California's Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee.

**The Settlement is Reasonable**

**(CMO Paragraph G(3)(a)(vi))**

***Informed Arms-Length Negotiations***

28. The Parties' settlement negotiations were at all times made at arm's-length and were adversarial. The Settlement was reached following additional negotiations after a full day of mediation with a highly respected mediator with substantial experience mediating wage and hour cases, and Plaintiff engaged in additional negotiations in order to finalize the long-form agreement presently before the Court.

29. The Parties engaged in extensive formal and informal discovery prior to reaching a settlement. Prior to mediation, Defendant produced a random twenty-five percent (25%) sampling of putative class members' time and pay data as well as Defendant's relevant wage and hour policies, and information regarding the total number of putative class members, the number of current versus former employees, the total workweeks worked by the putative class members, and the average rate

1 of pay for the putative class members. This allowed Class Counsel to conduct an informed assessment  
2 and analysis of the strengths and weaknesses of the claims and the potential class-wide damages.

3 30. Based on the information exchanged, the Parties extensively briefed issues regarding  
4 class certification and liability and provided their analyses to the Mediator who helped the Parties  
5 debate the strengths and weakness of their respective positions.

6 ***Estimate of Potential Value of Claims***

7 **(CMO Paragraphs G(3)(a)(ii) and G(9)(b))**

8 31. Class Counsel analyzed all available data and estimated Defendant's maximum  
9 potential exposure to be approximately \$2,727,961, assuming the litigation was successful at trial on  
10 all claims at issue and every employee had a violation for each claim on every shift worked. This  
11 maximum potential analysis was then reduced based on the challenges facing the likelihood of  
12 obtaining class certification, prevailing at trial, and other attendant risks. This estimate is based off an  
13 estimated maximum liability for all claims at issue and the total aggregate workweeks during the  
14 relevant time period, less interest, and based on the analysis of the data which was extrapolated out  
15 for all class members across the entire putative class period, which included: \$1,025,200 for meal  
16 period violations (less meal period premiums paid); \$581,803 for rest period violations at a 100%  
17 violation rate; \$378,917 for unpaid off-the-clock work for 1 hour per workweek of off-the-clock work;  
18 \$11,650 for unpaid overtime wages at the required regular rate of pay; \$146,430 for unreimbursed  
19 business expenses; \$223,961 for waiting time penalties; and \$360,000 for wage statement penalties.  
20 Plaintiff further estimated that Defendant faced an additional exposure of \$699,800 in potential, non-  
21 stacked (i.e., one penalty, per employee, per pay period during the PAGA statutory period) PAGA  
22 penalties. Together with the PAGA penalties, Defendant's maximum potential exposure totaled  
23 \$3,427,761 in damages.

24 ***Specific Risks Considered***

25 **(CMO Paragraphs G(3)(a)(iii), G(9)(a), and G(9)(b))**

26 32. Although the investigation and information discovered supports Plaintiff's contentions,  
27 Defendant raised potential defenses and other circumstances that impacted the risk of proceeding on  
28 a class-wide basis. Consideration of these risks factored into the negotiations and the decision to enter

1 the Settlement.

2 33. Class Counsel is aware of Defendant's defenses and arguments and has also taken into  
3 account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays  
4 inherent in such litigation, including those involved in class and/or representative adjudication.  
5 Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted  
6 in the Action, Defendant's defenses, and the difficulties in establishing entitlement to monetary  
7 recovery. Plaintiff has also considered the Parties' settlement discussions, as well as the evaluations  
8 of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

9 34. Defendant denied and continues to deny any liability and wrongdoing of any kind  
10 associated with the claims alleged in the Action, and further denies that class certification is  
11 appropriate for any purpose other than the Settlement. Defendant believes that it would ultimately  
12 prevail in the Action. Defendant proffered defenses to both certification and to the merits of Plaintiff's  
13 claims. Defendant contended that Plaintiff's claims are not suitable for class certification because  
14 individual issues would predominate should this case go to trial. As with all class actions, these  
15 complex cases raise difficult management and proof issues and, accordingly, there is a significant risk  
16 that the Court may deny class certification.

17 35. For example, Plaintiff's meal period claims, which were based on Defendant's alleged  
18 failure to provide lawful meal periods, have been increasingly difficult to certify in recent years.  
19 Plaintiff's theory of liability for meal period violations was based on allegations that Defendant had  
20 failed to implement or enforce its policies, and indeed subverted its policies with practices that actively  
21 prevented Plaintiff and Class Members' ability to take lawful meal breaks. Defendant contended that  
22 its policies and practices at all times during the Class Period were lawful. Plaintiff's analysis revealed  
23 a 57.6% violation rate for purported unique meal period violations. Defendant further argued that the  
24 rate of purported meal period violations reflected in the data would require individualized inquiry and  
25 that such inquiry would prohibit a class from being certified. We also had to consider the risk that the  
26 Court would find validity in the individualized proof defense to certification of Plaintiff's meal period  
27 claim. Accordingly, a discount of 50% was applied to the maximum potential value in order to account  
28 for the risk associated with obtaining class certification, proving the underlying violations and

1 reducing them by the premiums Defendant was showed to have paid, as well as the costs and delay in  
2 recovering the alleged potential damages. This process brought the value of this claim closer to  
3 \$512,600, after which a discount of 50% was applied to account for the risks associated with  
4 succeeding on the merits and establishing liability, bringing the value of this claim closer to \$256,300.

5 36. Additionally, a large portion of Defendant's overall liability lies in Plaintiff's rest  
6 period allegations. As with the meal period allegations, Defendant contended that it had a lawful  
7 written rest period policy, provided compliant rest breaks, and relieved Class Members of all duties as  
8 required under California law. Here, Defendant's employees recorded their rest breaks. Plaintiff's  
9 analysis revealed only a 32.2% violation rate for unique rest break violations. However, since  
10 Defendant was not required to record these rest breaks there is additional uncertainty given the  
11 associated difficulties with providing the alleged rest period violations. Therefore, there were  
12 legitimate concerns Plaintiff would not be able to certify these claims or prove substantial damages  
13 with requisite certainty, which made the estimated value of this claim subject to much challenge.  
14 Accordingly, a discount of 50% was applied to account for the risk associated with obtaining class  
15 certification, thereafter proving the underlying violations, and the cost and delay in recovering the  
16 alleged potential damages, bring the value of this claim closer to \$290,902. Thereafter, a discount of  
17 50% was applied to account for the risks associated with succeeding on the merits and establishing  
18 liability, bringing the value of these claims closer to \$145,451.

19 37. Plaintiff also faced challenges certifying and proving liability for his minimum wage  
20 and overtime claims. These claims were largely based on Defendant's unrecorded, off-the-clock work  
21 performed by the Class Members after their shifts and during purported meal periods. For example,  
22 Plaintiff reported that after the end of his shifts, Defendant would require him to clock out and continue  
23 to work to finish certain tasks, such as cleaning up his workstation and washing the floor. However,  
24 the individualized nature of why this work was performed and the individualized nature of damages  
25 presented substantial concerns regarding the manageability of the case and the risk the Court could  
26 find these issues prevented certification, and the estimated damages for this claim were based on an  
27 assumption that all Class Members worked off the clock for at least one hour per week. Additionally,  
28 Plaintiff alleged that Defendant failed to pay overtime compensation at the rate of one and one-half

1 times the regular rate of pay by failing to include all non-discretionary compensation into the regular  
2 rate calculation. However, Defendant contended that it paid all overtime compensation at the correct  
3 regular rate of pay. Accordingly, for the unpaid minimum wage claim, a discount of 50% was applied  
4 to account for the risk associated with obtaining class certification, thereafter, proving the underlying  
5 violations, and the cost and delay in recovering the alleged potential damages, bringing the value of  
6 this claim closer to \$189,459. Thereafter, a discount of 50% was applied to account for the risks  
7 associated with succeeding on the merits and establishing liability, bringing the value of this claim  
8 closer to \$94,729. Additionally, for the unpaid overtime claim at the required regular rate of pay, a  
9 discount of 50% was applied to account for the risk associated with obtaining class certification,  
10 thereafter proving the underlying violations, and the cost and delay in recovering the alleged potential  
11 damages, bringing the value of this claim closer to \$5,825. Thereafter, a discount of 50% was applied  
12 to account for the risks associated with succeeding on the merits and establishing liability, bringing  
13 the value of this claim closer to \$2,913.

14 38. Plaintiff also contended that Defendant failed to reimburse Plaintiff and the other Class  
15 Members for necessary business-related expenses, such as steel-toe boots, tools, and use of their  
16 personal cell phones for work-related purposes. Defendant did not provide records that reflect that it  
17 paid Plaintiff and the other Class Members their unreimbursed business expenses in full when used in  
18 carrying out their work duties. Defendant contended that, with respect to the alleged expenses for  
19 which Plaintiff and the other Class Members never requested reimbursement from Defendant, it did  
20 not know and had no reason to know that alleged business-related expenses had been incurred.  
21 Defendant further contended that the reason for why a Class Member undertook certain expenses,  
22 while not others, and failed to receive reimbursement for certain expenses while not others, would  
23 raise individual issues that could not be certified. Accordingly, a discount of 50% was applied to  
24 account for the risk associated with obtaining class certification, thereafter proving the underlying  
25 violations, and the cost and delay in recovering the alleged potential damages, bringing the value of  
26 this claims closer to \$73,215. Thereafter, a discount of 50% was applied to account for the risks  
27 associated with succeeding on the merits and establishing liability, bringing the value of this claim  
28 closer to \$36,608.

1           39.     There are also substantial risks associated with Plaintiff's waiting time penalties and  
2 wage statement claims. First, these claims were derivative of Plaintiff's claims for unpaid meal period  
3 premiums, unpaid rest period premiums, unpaid minimum wages, and unpaid overtime wages, and if  
4 certification was denied on those underlying claims, these derivative claims for penalties would also  
5 likely fail. Further, even if Plaintiff prevailed on his underlying claims, he would still be required to  
6 demonstrate that Defendant's violations of California Labor Code section 203 were *willful* violations.  
7 Wage statement claims have also seen varying treatment at the appellate level because such claims  
8 have an element of discretion attached to them rather than a pure calculation of damages after liability  
9 is proven. Therefore, these derivative claims, which comprised a substantial portion of Defendant's  
10 estimated liability, were therefore uncertain. Accordingly, for the waiting time penalties claim, a  
11 discount of 50% was applied to account for the risk associated with obtaining class certification,  
12 thereafter proving the underlying violations, and the cost and delay in recovering the alleged potential  
13 damages, bringing the value of this claim closer to \$111,981. Thereafter, a discount of 50% was  
14 applied to account for the risks associated with succeeding on the merits and establishing liability,  
15 bringing the value of these claims closer to \$55,991. Additionally, for the wage statement claim, a  
16 discount of 50% was applied to account for the risk associated with obtaining class certification,  
17 thereafter proving the underlying violations, and the cost and delay in recovering the alleged potential  
18 damages, bringing the value of this claim closer to \$180,000. Thereafter, a discount of 50% was  
19 applied to account for the risks associated with succeeding on the merits and establishing liability,  
20 bringing the value of these claims closer to \$90,000.

21           40.     Class Counsel also recognized that, even if Plaintiff prevailed at class certification,  
22 proving the amount of wages due to Class Members would be an expensive, time-consuming, and  
23 uncertain proposition. In order to prove liability and damages, Class Counsel will need to request and  
24 analyze thousands of pages of documents, obtain the Class Members' contact information, contact  
25 them, and obtain their declarations at great expense. Obtaining the cooperation of current employees  
26 would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current  
27 employer. On the other hand, Defendant would likely be able to obtain the cooperation of its  
28 employees. Moreover, even if Plaintiff prevailed at class certification and trial, possible appeals would

1 substantially delay any recovery by the Class.

2       41. Class Counsel also separately contemplated the risks of proceeding with the PAGA  
3 claims and potential liability Defendant could face from these claims as part of the global resolution.  
4 Existing case law makes PAGA claims subject to the same defenses and risks as Plaintiff's underlying  
5 wage claims. Class Counsel also anticipated that even if successful on the merits at trial, the  
6 imposition of cumulative civil penalties based on the alleged wage and hour violations could be  
7 considered unjust, arbitrary and oppressive, or confiscatory, and that Defendant would argue that it  
8 made a good faith attempt to comply with its legal obligations warranting a reduction in penalties.  
9 Class Counsel also anticipated Defendant would argue that the violations per pay period were low,  
10 warranting an additional reduction in civil penalties. Finally, we were also mindful of the fact that  
11 PAGA is fundamentally not intended to be compensatory in nature but is instead intended to facilitate  
12 enforcement of California's labor laws by financing state activities and educating and deterring non-  
13 compliance.

14       42. Therefore, after considering this multitude of factors, we concluded that it was in the  
15 best interest of the State of California and the PAGA Employees to enter into the Settlement, and to  
16 allocate Fifty Thousand Dollars and Zero Cents (\$50,000.00) of the Gross Settlement Amount towards  
17 the PAGA claims, which represents approximately 5.95% of the Gross Settlement Amount. This  
18 percentage of the settlement is well-within the range of wage and hour settlements regularly approved  
19 in both state and federal court for cases that include both a class and PAGA action. Typically, such  
20 hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims, and, indeed,  
21 settlements allocations as little as 0.22% of the gross settlement amount have been approved as  
22 reasonable by courts. Moreover, the overall relief obtained by the Settlement is significant, not only  
23 from a monetary perspective, but also because it fulfills the public policy objectives of PAGA—to  
24 promote enforcement of California's labor laws, provide funds to the state, and deter future non-  
25 compliance by the employer. Accordingly, a 50% discount was applied to account for the risks  
26 associated with proving the underlying violations and the cost and delay in recovering the alleged  
27 potential penalties, bringing the value of this claim closer to \$349,900. A second discount of 50% was  
28 applied to account for the risks associated with succeeding on the merits and establishing liability,

bringing the value of this claim closer to \$174,950.

43. Therefore, the total value that could reasonably be expected to be awarded at trial, after taking into account the risks faced in prevailing on certification and substantively thereafter is \$856,942. Seen in this light, the Gross Settlement Amount of \$840,000 represents 98% of the risk-adjusted value of the claims.

44. Class Counsel therefore submits that the Settlement is fair, reasonable, and adequate. The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State of California and is within the accepted range of recoveries for this type of litigation given the inherent risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further litigation.

#### *Attorneys' Fees and Costs*

45. The attorneys' fees incurred by Class Counsel are in line with the common fund requested. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$294,000.00 if the Gross Settlement Amount is \$840,000.00) and actual litigation costs and expenses in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), which will be paid out of the Gross Settlement Amount, subject to approval by the Court. Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

46. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated into tangible monetary benefits as follows: (1) Class Members, the State of California, and PAGA Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting additional years for the same, or potentially worse, result; (2) a guaranteed result that compares favorably with other similar class action settlements of this type, given the strengths and weaknesses of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only increased significantly had the case progress through certification, trial, and/or upon appeal.

47. Class Counsel has litigated this matter for over two years and was actively preparing this matter for class certification and trial, if the Parties had been unable to reach a favorable resolution. The Motion for Final Approval will elaborate on the nature of the legal services provided, the time

1 incurred in performing those services, and Class Counsel's hourly rates. The Motion for Final  
2 Approval will also elaborate on the reimbursement costs sought by Class Counsel. Notice of the  
3 requested Attorneys' Fees and Costs is disclosed to the Class Members in the Class Notice.

4 *Notice to the Class*

5 **(CMO Paragraph G(3)(d)(i))**

6 48. After obtaining competing bids from multiple potential settlement administrators,  
7 which included Apex Class Action LLC (\$6,975.00), ILYM Group, Inc. (\$7,050.00), and CPT Group,  
8 Inc. (\$8,500.00), the Parties agreed to retain Apex Class Action LLC ("Apex" or "Settlement  
9 Administrator"), which was the lowest bidder, to handle the notice and settlement administration  
10 process and allocated up to Eight Thousand Dollars and Zero Cents (\$8,000.00) for the Settlement  
11 Administration Costs should any unexpected costs come up. The Parties respectfully request that the  
12 Court appoint Apex to handle these procedures and to serve as the Settlement Administrator.  
13 Defendant will provide Apex with the Class List and Apex will calculate each Class Member's  
14 estimated Individual Settlement Share and each PAGA Employee's estimated Individual PAGA  
15 Payment. Apex will also receive and process Requests for Exclusion, Notices of Objection, and  
16 Disputes; will provide necessary reports and declarations; will calculate, subtract, and transmit  
17 necessary taxes and withholdings with respect to the wages portion of the Individual Settlement  
18 Shares; will prepare and submit informational and other tax filings and documents; will issue and  
19 transmit all payments provided for by the Settlement, including, but not limited to, mailing Individual  
20 Settlement Payment checks to the Settlement Class Members and Individual PAGA Payment checks  
21 to the PAGA Employees; and perform any other usual and customary duties for administering a class  
22 action settlement.

23 49. I am not aware of an alternative method of providing notice to the Class which would  
24 result in a higher likelihood of actual notice. The original source of the mailing addresses is from each  
25 Class Member, who provided the information to Defendant. As a fail-safe to this highly reliable  
26 method, skip tracing will be performed, if necessary.

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# **EXHIBIT 1**

- *Brittini Aghedo, et al. v. Villa Esperanza Services*, Los Angeles County Superior Court, Case No. 23STCV27362, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Robin Jennings v. Mizuho Orthopedic Systems, Inc. dba Mizuho OSI*, Alameda County Superior Court, Case No. 24CV070891, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Jonathan Martin v. Atlas Digital, LLC*, Los Angeles County Superior Court, Case No. 23STCV30498, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cynthia Molt v. Los Angeles Film School, LLC*, Los Angeles County Superior Court, Case No. 23STCV30757, approved as counsel in final settlement of wage and hour class and PAGA action.
- *William Ramirez v. Employer Solutions Staffing Group LLC*, Los Angeles County Superior Court, Case No. 23STCV24735, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Anu Verma v. SingerLewak LLC*, Los Angeles County Superior Court, Case No. 24STCV11344, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Toby Lanzarin, et al. v. Building Material Distributors, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00330343-CU-OE-GDS, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Kassandra Herndon, et al. v. Agreeya Solutions, Inc.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0002783, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Damon Siler, et al. v. Call-The-Car dba Call the Car*, Los Angeles County Superior Court, Case No. 24STCV07514, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Daniel Ochoa-Lopez v. CorTech West Staffing, LLC, et al.*, Los Angeles County Superior Court Case No. 23STCV19480, approved as counsel in settlement of representative wage and hour action pursuant to PAGA
- *Juan Escobedo v. Block Tops, Inc.*, Orange County Superior Court, Case No. 30-2023-01356309-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Antonio Quintero v. Weyerhaeuser NR Company*, Los Angeles County Superior Court, Case No. 23STCV02624, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cristo Hernandez v. Eldorado National (California), Inc.*, Riverside County Superior Court, Case No. CVRI2201056, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rigoberto Tecaliz v. National Restaurant Inc. dba Black Bear Diner*, San Diego County Superior Court, Case No. 37-2023-00046906-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cecilia Estrada v. The Roman Catholic Archbishop of Los Angeles*, Los Angeles County Superior Court, Case No. 24STCV07184, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Davis v. JAJ Roofing dba Citadel Roofing and Solar*, Sacramento County Superior Court, Case No. 23CV011004, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Aurelio Aguilar v. Supreme Car Wash, Inc.*, Los Angeles County Superior Court, Case No. 21STCV29696, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Aaron Coffey v. Catalina Channel Express, Inc.*, Los Angeles County Superior Court, Case No. 21STCV41396, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0006866, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Mario Fosados v. Drew Chain Security Corp.*, Los Angeles County Superior Court, Case No. 24STCV00519, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jose Manuel Amaro Bernal v. Joseph Holt Plastering, Inc.*, Los Angeles County Superior Court, Case No. 24STCV15637, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Brandon Geston v. FRTO LLC, et al.*, Fresno County Superior Court, Case No. 24CECG01292, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Alfonso Herrera v. W.L. Butler Construction, Inc., et al.*, Orange County Superior Court, Case No. 30-2023-01335445-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Marcos Ojendiz, et al. v. Jonathan Louis International*, Los Angeles County Superior Court, Case No. 21STCV35253, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Emmanuel Caldera v. Zeb's World Famous Boathouse Inc. dba Goat Hill Tavern*, Orange County Superior Court, Case No. 30-2023-01310801-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alex Javier Nakamoto v. Skydio, Inc.*, Alameda County Superior Court, Case No. 24CV062913, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jason McEntee v. Roche Molecular Systems, Inc.*, Alameda County Superior Court, Case No. 23CV041360, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Alexzander Roberts, et al. v. Lemonade Restaurant Group*, Los Angeles County Superior Court, Case No. 22STCV38302, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Halla Knotts v. Launch Technical Workforce Solutions, LLC*, San Bernardino County Superior Court, Case No. CIVSB2332568, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Armando Gastelum v. Premier Trailer Manufacturing, Inc.*, Tulare County Superior Court, Case No. VCU300333, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Tiffany Patterson v. Black Mountain Healthcare, LLC., d/b/a Seaport Home Health & Hospice*, San Diego County Superior Court, Case No. 37-2023-00037563-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Angel Rodriguez v. American Textile Maintenance*, Los Angeles County Superior Court, Case No. 22STCV17855, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rita Ray v. Families Together of Orange County*, Orange County Superior Court, Case No. 30-2023-01324555-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ly Hai v. Sunroad HS Auto, Inc.*, San Diego County Superior Court, Case No. 37-2022-00025788-CU-OE-CTL, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Anabel Perez v. Eureka Specialties, Inc.*, Los Angeles County Superior Court, Case No. 22STCV35940, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Galicia v. Virco, Inc., et al.*, Los Angeles County Superior Court, Case No.

23STCV29425, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Rene Umana v. Columbus Technologies*, Los Angeles County Superior Court, Case No. 22STCV16432, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Sitara Nayabhil v. San Francisco SPCA (dba SFSPCA), a California 501(c)(3) non-profit organization*, San Francisco County Superior Court, Case No. CGC-23-609950, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Fernando Solis v. Tuff Shed, Inc.*, Los Angeles County Superior Court, Case No. 24VECV00368, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tyler Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz Superior Court, Case No. 24CV00244, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Odalys Montejo v. Team Nissan LLC*, Ventura County Superior Court, Case No. 2023CUOE017853, approved as counsel in settlement of representative wage and hour action pursuant to PAGA
- *Vanessa Cortes v. Giti Tire (USA) LTD*, San Bernardino County Superior Court, Case No. CIVSB2332578, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jered Ortega v. YMCA of San Diego County*, San Diego County Superior Court, Case No. 37-2023-00043645-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Christa Morton, et al. v. PSI Services, LLC*, Fresno County Superior Court, Case No. 24CECG00039, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Rodriguez v. Republique, LLC*, Los Angeles County Superior Court, Case No. 23STCV14521, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class

and PAGA action.

- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and

hour action pursuant to PAGA.

- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange

County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

# **EXHIBIT 2**

November 2, 2023

**PAGA Claim Notice Via Online Electronic Submission**

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

**RE: *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.***

Dear Representative:

This office represents Urbano Zavala Lopez (“Claimant”) with respect to their claims under the California Labor Code against Food for Life Baking Co., Inc. (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Claimant from approximately June 2000 to March 2023 as a non-exempt, hourly-paid employee. During his employment with Employers, Claimant was employed as a Grain Miller at its location at 2991 Doherty St, Corona, CA 92879.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”). Claimant is seeking penalties on behalf of themselves and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant’s notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California’s wage and hour laws during Claimant’s employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders (“IWC Wage Orders”). The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

## **1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION**

Employers have engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and IWC Wage Orders require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and IWC Wage Orders further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time period, Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock. This off-the-clock work included, amongst other things, requiring Claimant and other Aggrieved Employees (1) to answer calls from supervisors regarding work related questions during purported meal periods; and (2) to wash the floors and provide a report to the managers on the grains and dough prepared that day, after clocking out.

Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law. In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) to Claimant and Aggrieved Employees.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimant and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week resulting in a failure to pay overtime compensation. Finally, Employers failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers have failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Orders and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC

Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

## **2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS**

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employers failed to provide Claimant and other Aggrieved Employees with legally-compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day, but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5<sup>th</sup>) hour of work, and/or to take their second meal periods after their tenth (10<sup>th</sup>) hour of work. Meal periods, when provided, were oftentimes interrupted or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with

California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, 512(a) and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

### **3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS**

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes rest for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take legally-compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the

priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

#### **4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT**

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers have failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

#### **5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS**

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimant and

other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimant and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimant and the Aggrieved Employees. Accordingly, Employers violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

## **6. FAILURE TO MAINTAIN ACCURATE RECORDS**

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

## **7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES**

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The IWC Wage Orders require employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to the purchase of steel-toe boots, purchase of tools such as wrenches, screwdrivers, and drills, and the usage of personal cell phones for work-related purposes.

Accordingly, Employers violated the IWC Orders and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; and attorneys' fees and costs.

## **8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT**

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

## **9. EMPLOYER'S OTHER VIOLATIONS OF THE CALIFORNIA LABOR CODE**

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 ("*Huff*"), as an Aggrieved Employee, Claimant has standing, and intends, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against Employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Claimant, as an "aggrieved" employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged

violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

**BLACKSTONE LAW**

*Miriam L. Schimmel*

Miriam Schimmel, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

Food for Life Baking Co., Inc.  
ATTN: Scott M. Kraus, Agent for Service  
2991 E. Doherty Street  
Corona, CA 92879

# **EXHIBIT 3**

1                   **CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT AGREEMENT**

2           This Class and PAGA Representative Action Settlement Agreement (“Agreement” or  
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Urbano Zavala Lopez  
4 (“Plaintiff”), individually, and on behalf of all others similarly situated and on behalf of the State of  
5 California with respect to -aggrieved employees, and Defendant Food for Life Baking Co., Inc.  
6 (“Defendant”) (together, Plaintiff and Defendant are referred to as “Parties” and individually as  
7 “Party”).

8           This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as  
9 defined herein), the State of California as to the employment of PAGA Employees (as defined herein),  
10 and Defendant, subject to the terms and conditions hereof and the approval of the Court.

11                   **RECITALS**

12           1.       Plaintiff is a current, but inactive employee of Defendant who performed work for  
13 Defendant for at least one Workweek (as defined herein) during the Class Period (as defined herein).

14           2.       On November 2, 2023, Plaintiff provided written notice to the Labor and Workforce  
15 Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail,  
16 pursuant to California Labor Code § 2699.3, of the specific provisions of the California Labor Code  
17 alleged to have been violated by Defendant (“PAGA Letter”). In the PAGA Letter, Plaintiff asserted  
18 that Defendant allegedly violated California Labor Code §§ 201, 202, 203, 204, 210, 226(a), 226.3,  
19 226.7, 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3,  
20 2800, 2802, and the Industrial Welfare Commission Wage Orders (“IWC Wage Orders”).

21           3.       On November 2, 2023, Plaintiff filed a putative Class Action Complaint for Damages  
22 against Defendant in the action entitled, *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*,  
23 Riverside County Superior Court Case No. CVRI2305901 (the “Action”), which asserted nine causes  
24 of action: (1) failure to pay minimum wages in violation of California Labor Code §§ 1194, 1194.2,  
25 1197, and 1197.1 and the applicable IWC Wage Orders; (2) failure to pay overtime wages in violation  
26 of California Labor Code §§ 510, 1194, and 1198, and the applicable IWC Wage Orders; (3) failure  
27 to authorize and permit meal periods in violation of California Labor Code §§ 226.7 and 512, and the  
28 applicable IWC Wage Orders; (4) failure to authorize and permit rest periods in violation of California

1 Labor Code § 226.7 and the applicable IWC Wage Orders; (5) failure to timely pay all wages during  
2 employment in violation of California Labor Code §§ 204 and 210; (6) failure to provide complete  
3 and accurate wage statements in violation of California Labor Code § 226(a); (7) failure to timely pay  
4 all wages upon termination in violation of California Labor Code §§ 201, 202, 203, and 204; (8) failure  
5 to reimburse necessary business expenses in violation of California Labor Code §§ 2800 and 2802;  
6 and (9) unfair, deceptive, and unlawful business practices in violation of Business and Professions  
7 Code §§ 17200, et seq.

8 4. On January 29, 2024, Plaintiff filed a separate lawsuit against Defendant, entitled  
9 *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Riverside County Superior Court Case No.  
10 CVRI2400455 (the “PAGA Action”), wherein Plaintiff asserted one cause of action for violations of  
11 the Private Attorneys General Act (Labor Code §§ 2699, et seq.), which alleged violations of  
12 California Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558,  
13 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, 2698, 2699, 2699.3, 2699.5, as well as the  
14 applicable IWC Wage Orders.

15 5. On August 30, 2024, the Parties participated in mediation with Tripper Ortman, Esq.  
16 (the “Mediator”), a respected mediator of complex wage and hour actions. After continued  
17 negotiations, and with the assistance of the Mediator, the Parties reached the settlement that is  
18 memorialized herein. The Parties’ settlement discussions were conducted at arms’ length, and the  
19 Settlement is the result of an informed and detailed analysis of Defendant’s potential alleged liability  
20 and exposure in relation to the costs and risks associated with continued litigation. Based on Class  
21 Counsel’s investigation and evaluation, Class Counsel believes that the settlement with Defendant for  
22 the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate and is  
23 in the best interest of the Class Members, State of California, and PAGA Employees in light of all  
24 known facts and circumstances, including the risk of significant delay and uncertainty associated with  
25 litigation and various defenses asserted by Defendant.

26 6. The Parties agree that Plaintiff will file a First Amended Class and Representative  
27 Action Complaint (“Operative Complaint”) in the Action, which will add the claims alleged in the  
28 PAGA Action. Once the Operative Complaint is filed, Plaintiff will dismiss the PAGA Action without

1 prejudice and the Action, as defined herein, will become consolidated with the PAGA Action.

2 7. Defendant denies all materials allegations set forth in the Action and has asserted  
3 numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,  
4 Defendant desires to fully and finally settle the Action, Released Class Claims (as defined herein), and  
5 Released PAGA Claims (as defined herein).

6 8. Class Counsel diligently investigated the class and PAGA claims against Defendant,  
7 including any and all applicable defenses and the applicable law. Prior to mediation and finalizing the  
8 Agreement, Plaintiff obtained relevant information from Defendant, including but not limited to an  
9 adequate sampling of employee time and payroll records, records relating to Plaintiff, Defendant's  
10 policy documents, and the exchange of relevant data points pertaining to the claims asserted in the  
11 Action, as amended. Plaintiff's investigation was sufficient to satisfy the criteria for court approval  
12 set forth in Dunk v. Foot Locker Retail, Inc., 48 Cal.App.4th 1794, 1801 (1996) and Kullar v. Foot  
13 Locker Retail, Inc., 168 Cal.App.4th 116, 129-30 (2008) ("Dunk/Kullar"). The Parties have engaged  
14 in sufficient formal and informal discovery and investigation to assess the relative merits of the claims  
15 and contentions of the Parties.

16 9. The Parties expressly acknowledge that this Settlement Agreement is entered into  
17 solely for the purpose of compromising significantly disputed claims and that nothing herein is an  
18 admission of liability or wrongdoing by Defendant. The Parties agree to certification of the Class for  
19 purposes of this Settlement only. If for any reason the settlement does not become effective, Defendant  
20 reserves the right to contest certification of any class for any reason and reserves all available defenses  
21 to the claims in the Action, as amended. If for any reason this Settlement Agreement is not approved,  
22 it will be of no force or effect, and the Parties shall be returned to their original respective positions.

### 23 DEFINITIONS

24 10. The following definitions are applicable to this Settlement Agreement. Definitions  
25 contained elsewhere in this Settlement Agreement will also be effective.

26 a. "Action" means Plaintiff's consolidated lawsuit alleging wage and hour  
27 violations against Defendant, as amended, captioned *Urbano Zavala Lopez v. Food for Life Baking*  
28 *Co., Inc.*, Riverside County Superior Court Case No. CVRI2305901, initiated on November 2, 2023,

1 (consolidated with *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Riverside County Superior  
2 Court Case No. CVRI2400455, initiated on January 29, 2024)

3 b. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for  
4 Class Counsel's litigation and resolution of the Action and all actual costs and expenses incurred and  
5 to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 13.

6 c. "Class" or "Class Member(s)" means all current and former hourly-paid and/or  
7 non-exempt employees who worked for Defendant in the State of California at any time during the  
8 Class Period.

9 d. "Class Counsel" means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang,  
10 Alexandra Rose, and Jared C. Osborne of Blackstone Law, APC, who will seek to be appointed  
11 counsel for the Class.

12 e. "Class List" means a complete list of all Class Members that Defendant will  
13 diligently and in good faith compile from its records and provide to the Settlement Administrator. The  
14 Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following  
15 information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security  
16 number; (4) dates worked for Defendant during the Class Period; and (5) such other information as is  
17 necessary for the Settlement Administrator to calculate Workweeks and Pay Periods (if applicable).

18 f. "Class Notice" means the Notice of Class Action Settlement, substantially in  
19 the form attached hereto as "Exhibit A."

20 g. "Class Period" means the period from November 2, 2019 through December  
21 31, 2024.

22 h. "Class Settlement" means the settlement and resolution of all Released Class  
23 Claims.

24 i. "Court" means the Superior Court of the State of California for the County of  
25 Riverside.

26 j. "Defendant" means Defendant Food for Life Baking, Co., Inc.

27 k. "Defendant's Counsel" means Jason W. Kearnaghan, Y. Douglas Yang, and  
28 Emma Husseman of Sheppard, Mullin, Richter & Hampton LLP.

1           l.       “Dispute” means a letter submitted by a Class Member disputing the number of  
2 Workweeks and/or Pay Periods to which they have been credited, which must: (a) contain the case  
3 name and number of the Action; (b) contain the Class Member’s full name, signature, address,  
4 telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c)  
5 clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to  
6 the Class Member and what the Class Member contends is the correct number; and (d) be returned by  
7 mail to the Settlement Administrator at the specified address, postmarked on or before the Response  
8 Deadline.

9           m.       “Effective Date” means the date on which the Final Approval Order and  
10 Judgment becomes final. The Final Approval Order and Judgment “becomes final” only after the  
11 Court grants the Motion for Final Approval, enters the Final Approval Order and Judgment, and if no  
12 appeal, upon service of the Notice of Entry of Order and/or Judgment. If there is an appeal, the Final  
13 Approval Order and Judgment becomes final upon the latter of: (i) the seventieth (70th) day following  
14 Notice of Entry of the Court’s Final Approval Order and Judgment; (ii) the date of affirmance of an  
15 appeal of the Final Approval Order and Judgment becomes final under the California Rules of Court;  
16 or (iii) the date of final dismissal of any appeal from the Final Approval Order and Judgment or the  
17 final dismissal of any proceeding on review of any court of appeal decision relating to the Final  
18 Approval and Judgment, and issuance of remittitur.

19           n.       “Employee Paid Taxes” means taxes paid by an individual employee, including  
20 Federal Insurance Contributions Act, federal income tax, state disability insurance, and state income  
21 tax payments.

22           o.       “Employer Taxes” means the employer’s share of taxes and contributions in  
23 connection with the wages portion of Individual Settlement Shares, including Federal Unemployment  
24 Tax Act, Federal Insurance Contributions Act, state unemployment insurance, and Employee Training  
25 Tax payments, which shall be paid by Defendant in addition to the Gross Settlement Amount.

26           p.       “Exclusion Form” means the Request for Exclusion Form, substantially in the  
27 form attached hereto as “**Exhibit B.**”

28           q.       “Final Approval” means the determination by the Court that the Settlement is

1 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

2 r. "Final Approval Hearing" means the hearing at which the Court will consider  
3 and determine whether the Settlement should be granted Final Approval.

4 s. "Final Approval Order and Judgment" means the order granting final approval  
5 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the  
6 Parties, and subject to approval by the Court.

7 t. "Gross Settlement Amount" means the amount of Eight Hundred Forty  
8 Thousand Dollars and Zero Cents (\$840,000.00) to be paid by Defendant in full satisfaction of the  
9 Action, Released Class Claims, and Released PAGA Claims, which includes all Attorneys' Fees and  
10 Costs, PAGA Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to the  
11 Settlement Class Members. Defendant shall pay the Employer Taxes separately and in addition to the  
12 Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross  
13 Settlement Payment will return to Defendant. The Gross Settlement Amount is subject to increase, as  
14 provided in Paragraph 16.

15 u. "Individual PAGA Payment" means the *pro rata* share of the PAGA Employee  
16 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be  
17 calculated according to the number of Pay Periods worked during the PAGA Period, as set forth in  
18 accordance with Paragraph 18.

19 v. "Individual Settlement Payment" means the net payment of each Settlement  
20 Class Member's Individual Settlement Share, calculated according to the number of Workweeks  
21 worked during the Class Period, less any and all Employee Paid Taxes required by law as a result of  
22 the payment of the amount allocated to such Settlement Class Member as set forth herein, as provided  
23 in Paragraph 17.

24 w. "Individual Settlement Share" means the *pro rata* share of the Net Settlement  
25 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated  
26 in accordance with Paragraph 17.

27 x. "LWDA Payment" means the amount of Thirty-Seven Thousand Five Hundred  
28 Dollars and Zero Cents (\$37,500.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to

1 pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 14.

2 y. "Net Settlement Amount" means the portion of the Gross Settlement Amount  
3 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount  
4 less the Court-approved Attorneys' Fees and Costs, PAGA Amount, and Settlement Administration  
5 Costs.

6 z. "Notice of Objection" means an Objection Form or a Settlement Class  
7 Member's written objection to the Class Settlement, which must: (a) contain the case name and number  
8 of the Action; (b) contain the objector's full name, signature, address, telephone number, and the last  
9 four (4) digits of the objector's Social Security number; (c) contain a written statement of all grounds  
10 for the objection; (d) attach any documents on which the objector is relying for the objection; and (e)  
11 be returned by mail to the Settlement Administrator at the specified address, postmarked on or before  
12 the Response Deadline.

13 aa. "Notice Packet" means the Class Notice, Exclusion Form, and Objection Form,  
14 substantially in the forms attached hereto as "**Exhibit A**," "**Exhibit B**," and "**Exhibit C**."

15 bb. "Objection Form" means the Notice of Objection Form, substantially in the  
16 form attached hereto as "**Exhibit C**."

17 cc. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et  
18 seq.).

19 dd. "PAGA Amount" means the allocation of Fifty Thousand Dollars and Zero  
20 Cents (\$50,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five  
21 percent (75%) of the PAGA Amount, or \$37,500.00, will be paid to the LWDA (i.e., the LWDA  
22 Payment) and the remaining twenty-five percent (25%), or \$12,500.00, will be distributed to the  
23 PAGA Employees (i.e., the PAGA Employee Amount).

24 ee. "PAGA Employees" means all current and former hourly-paid and/or non-  
25 exempt employees who worked for Defendant in the State of California at any time during the PAGA  
26 Period.

27 ff. "PAGA Employee Amount" means the amount of Twelve Thousand Five  
28 Hundred Dollars and Zero Cents (\$12,500.00), i.e., 25% of the PAGA Amount, to be distributed to

1 PAGA Employees on a *pro rata* basis based on their Pay Periods.

2 gg. "PAGA Letter" means Plaintiff's November 2, 2023 written notice to the Labor  
3 and Workforce Development Agency ("LWDA") by online submission and to Defendant by U.S.  
4 Certified Mail, pursuant to California Labor Code § 2699.3, of the specific provisions of the California  
5 Labor Code alleged to have been violated by Defendant.

6 hh. "PAGA Period" means the period from November 2, 2022 through the date of  
7 Preliminary Approval.

8 ii. "PAGA Settlement" means the settlement and resolution of all Released PAGA  
9 Claims.

10 jj. "Pay Period" means any pay period during which a PAGA Employee worked  
11 for Defendant for at least one day during the PAGA Period. Pay Periods will be calculated by the  
12 Settlement Administrator following Defendant's practice of calculating a single pay period as a two-  
13 week period.

14 kk. "Plaintiff" means Urbano Zavala Lopez, the named plaintiff in the Action.

15 ll. "Preliminary Approval" means the date on which the Court enters the  
16 Preliminary Approval Order.

17 mm. "Preliminary Approval Order" means the order granting preliminary approval  
18 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by  
19 the Court.

20 nn. "Operative Complaint" means the First Amended Class and Representative  
21 Action Complaint.

22 oo. "Released Class Claims" means any and all claims under any federal, state, or  
23 local law, which were alleged in the Operative Complaint or which could have been alleged based on  
24 the factual allegations in the Operative Complaint, arising during the Class Period, which specifically  
25 includes all claims for unpaid wages, including, failure to pay minimum wages, straight time  
26 compensation, overtime compensation, double-time compensation, and interest; the calculation of the  
27 regular rate of pay; alleged illegal time rounding; failure to indemnify or reimburse expenses;  
28 missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal

1 periods; failure to authorize and permit rest periods; the calculation of meal period and/or rest period  
2 premiums; payment for all hours worked, including off-the-clock work; failure to timely pay wages  
3 during employment; failure to timely pay final wages; unfair business practices related to the Released  
4 Class Clams; statutory penalties, including recordkeeping penalties, wage statement penalties,  
5 minimum-wage penalties, and waiting-time penalties; non-compliant wage statements; and attorneys'  
6 fees and costs; and all claims related to the Released Class Claims arising under: the California Labor  
7 Code (including sections 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1194, 1194.2, 1197, 1197.1,  
8 1198, 2800, 2802); the applicable IWC Wage Orders; California Business and Professions Code  
9 section 17200, *et seq.*; and California Code of Civil Procedure section 1021.5.

10 pp. "Released PAGA Claims" means any and all claims described in the PAGA  
11 Letter and only to the extent they are alleged in the Operative Complaint, arising during the PAGA  
12 Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code  
13 sections 2698-2699.8, which specifically include all known and unknown claims relating to failure to  
14 pay minimum wages, straight time compensation, overtime compensation, double-time compensation,  
15 and interest; the calculation of the regular rate of pay; alleged illegal time rounding; failure to  
16 indemnify or reimburse expenses; missed/short/late/interrupted meal period and/or rest period  
17 wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods; the  
18 calculation of meal period and/or rest period premiums; payment for all hours worked, including off-  
19 the-clock work; wage statements; failure to timely pay wages; failure to timely pay final wages;  
20 alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510,  
21 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3, 2800, and  
22 2802; and alleged violations of the applicable IWC Wage Orders.

23 qq. "Released Parties" means Defendant and all of its past, present and future  
24 agents, employees, managing agents, servants, officers, directors, members, owners (whether direct or  
25 indirect), general partners, limited partners, trustees, representatives, shareholders, stockholders,  
26 mortgagees or ground lessors, attorneys, parents, subsidiaries, equity sponsors, related  
27 companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers,  
28 consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing

1 agencies, dual employers, alleged dual employers, co-employers, alleged co-employers, contractors,  
2 affiliates, service providers, alter-egos, alleged alter-egos, vendors, affiliated organizations, any  
3 person and/or entity with potential or alleged to have joint liability, and all of their respective past,  
4 present and future employees, directors, officers, members, owners, agents, representatives, payroll  
5 agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and  
6 assigns and any and all persons acting under, by, through or in concert with any of them.

7 rr. "Request for Exclusion" means an Exclusion Form or letter submitted by a  
8 Class Member indicating a request to be excluded from the Class Settlement, which must: (a) contain  
9 the case name and number of the Action; (b) contain the Class Member's full name, signature, address,  
10 telephone number, and last four (4) digits of the Class Member's Social Security number; (c) clearly  
11 state that the Class Member does not wish to be included in the Class Settlement; and (d) be returned  
12 by mail to the Settlement Administrator at the specified address, postmarked on or before the Response  
13 Deadline.

14 ss. "Response Deadline" means the deadline by which Class Members must submit  
15 a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five  
16 (45) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator to  
17 Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response  
18 Deadline will be extended to the next day on which the United States Postal service is open. The  
19 Response Deadline may also be extended by express agreement between Class Counsel and  
20 Defendant's Counsel. Under no circumstances, however, will the Settlement Administrator have the  
21 authority to extend the Response Deadline. In the event that a Notice Packet is re-mailed to a Class  
22 Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days  
23 from the original Response Deadline.

24 tt. "Settlement" means the disposition of the Action effected by this Agreement  
25 and the Final Approval Order and Judgment.

26 uu. "Settlement Administrator" means Apex Class Action LLC, or any other third-  
27 party class action settlement administrator agreed to by the Parties and approved by the Court for  
28 purposes of administering the Settlement. The Parties and their counsel each represent that they do

1 not have any financial interest in the Settlement Administrator or otherwise have a relationship with  
2 the Settlement Administrator that could create a conflict of interest.

3 vv. "Settlement Administration Costs" means the costs payable from the Gross  
4 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in  
5 Paragraph 20.

6 ww. "Settlement Class" or "Settlement Class Member(s)" means all Class Members  
7 who do not submit a timely and valid Request for Exclusion.

8 xx. "Workweek(s)" means any week during which a Class Member worked for  
9 Defendant, for at least one day, as an hourly-paid and/or non-exempt employee in California during  
10 the Class Period. Workweeks will be calculated by the Settlement Administrator.

#### 11 CLASS CERTIFICATION

12 11. For the purposes of this Settlement only, the Parties stipulate to the certification of the  
13 Class.

14 12. The Parties agree that certification for the purpose of settlement is not an admission  
15 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for  
16 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as  
17 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not  
18 be admissible in connection with, the issue of whether or not certification would be inappropriate in a  
19 non-settlement context.

#### 20 TERMS OF THE AGREEMENT

21 13. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application  
22 or motion by Class Counsel for attorneys' fees in the amount up to thirty-five percent (35%) of the  
23 Gross Settlement Amount (i.e., \$294,000.00 if the Gross Settlement Amount is \$840,000.00) and  
24 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement  
25 of the Action, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00),  
26 both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all  
27 work performed and any and all costs incurred by Class Counsel in connection with the litigation of  
28 the Action, including without limitation all work performed and costs incurred to date, and all work

1 to be performed and all costs to be incurred in connection with obtaining the Court's approval of this  
2 Settlement Agreement, including any objections raised and any appeals necessitated by those  
3 objections. Class Counsel shall be solely and legally responsible for correctly characterizing this  
4 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement  
5 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any  
6 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel  
7 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.  
8 A reduction by the Court of the Attorneys' Fees and Costs shall not be grounds to nullify this  
9 Agreement.

10 14. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of  
11 Fifty Thousand Dollars and Zero Cents (\$50,000.00) shall be allocated from the Gross Settlement  
12 Amount toward penalties under the Private Attorneys General Act, California Labor Code Section  
13 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$37,500.00, will be  
14 paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$12,500.00, will be  
15 distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the  
16 total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the  
17 Individual PAGA Payments).

18 15. Settlement Administration Costs. The Settlement Administrator will be paid for the  
19 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,  
20 which is currently not to exceed Eight Thousand Dollars and Zero Cents (\$8,000.00). These costs,  
21 which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter*  
22 *alia*, translating the Notice Packet to Spanish, printing, distributing, and tracking Notice Packets and  
23 other documents for the Settlement, calculating and distributing payments due under the Settlement,  
24 issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and  
25 remittances, providing necessary reports and declarations, and other duties and responsibilities set  
26 forth herein to process the Settlement, and as requested by the Parties. To the extent the actual  
27 Settlement Administrator's costs are greater than the estimated amount stated herein, such excess  
28 amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any

1 portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not  
2 in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement  
3 administration duties shall be reallocated to the Net Settlement Amount for the benefit of the  
4 Settlement Class Members.

5 16. Escalator Clause. Defendant has represented that the Class Members worked a total of  
6 20,000 workweeks during the period November 2, 2019 to August 30, 2024. If it is determined by the  
7 Settlement Administrator that the actual number of Workweeks worked by Class Members during the  
8 Class Period grows by more than ten percent (10%), or more than 22,000 Workweeks, then the Gross  
9 Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number  
10 of Workweeks worked by the Class Members above 10%. For example, if the total number of  
11 Workweeks worked by Class Members during the Class Period increases by twelve percent (12%)  
12 beyond 20,000 Workweeks (i.e., to 22,400 Workweeks), the Gross Settlement Amount will increase  
13 by two percent (2%) (i.e., the actual increase minus the ten percent (10%) tolerated increase).

14 17. Individual Settlement Share Calculations. Individual Settlement Shares will be  
15 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of  
16 Workweeks, as follows:

17 a. After Preliminary Approval, the Settlement Administrator will divide the Net  
18 Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek  
19 Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value  
20 to yield each Class Member's estimated Individual Settlement Share that each Class Member may be  
21 entitled to receive under the Class Settlement.

22 b. After Final Approval, the Settlement Administrator will divide the final Net  
23 Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek  
24 Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek  
25 Value to each Settlement Class Member's final Individual Settlement Share.

26 18. Individual PAGA Payment Calculations. Individual PAGA Payments will be  
27 calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees'  
28 number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee

1 Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the  
2 "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period  
3 Value to yield each PAGA Employee's Individual PAGA Payment.

4 19. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each  
5 Individual Settlement Share will be allocated as follows: twenty-five percent (25%) wages and  
6 seventy-five percent (75%) penalties, interest, and non-wage damages. The portion allocated to wages  
7 will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage  
8 damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The  
9 Settlement Administrator will withhold the Employee Paid Taxes and withholdings with respect to the  
10 wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for  
11 their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these  
12 taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Gross  
13 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)  
14 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

15 20. Administration of Taxes by the Settlement Administrator. The Settlement  
16 Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA  
17 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be  
18 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement  
19 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll  
20 taxes and other legally required withholdings to the appropriate government authorities.

21 21. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not  
22 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or  
23 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement  
24 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation  
25 by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement  
26 Class Members, Class Counsel, and PAGA Employees understand and agree that Plaintiff, Settlement  
27 Class Members, Class Counsel, and PAGA Employees will be solely responsible for the payment of  
28 any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiff,

1 Settlement Class Members, Class Counsel, and PAGA Employees should consult with their tax  
2 advisors concerning the tax consequences of any payment they receive under the Settlement.

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

26       23.   Settlement Awards Do Not Trigger Additional Benefits. All payments made under the  
27 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually  
28 are issued to the payee. It is expressly understood and agreed that payments made under this

1 Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee  
2 to additional compensation or benefits under any new or additional compensation or benefits, or any  
3 bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period,  
4 nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased  
5 retirement, 401(k) benefits or matching benefits, or deferred compensation benefits (notwithstanding  
6 any contrary language or agreement in any benefit or compensation plan document that might have  
7 been in effect during the Class Period).

8 24. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

9 Upon execution of this Settlement Agreement, Plaintiff will obtain a hearing date from the Court for  
10 Plaintiff's motion for preliminary approval of the Settlement, which Plaintiff and Class Counsel will  
11 be responsible for drafting, and submit this Settlement Agreement to the Court in support of said  
12 motion. Plaintiff and Class Counsel will be responsible for all documents necessary for obtaining  
13 Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the motion  
14 for preliminary approval that includes an analysis of the Settlement under Dunk/Kullar and a request  
15 for approval of the PAGA Settlement under California Labor Code § 2699, subd. (f)(2); (ii) a draft  
16 proposed Preliminary Approval Order; (iii) a signed declaration from the Administrator attaching its  
17 "not to exceed" bid for administering the Settlement and attesting to its: willingness to serve;  
18 competency; operative procedures for protecting the security of Class List; amounts of insurance  
19 coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual  
20 or potential conflicts of interest with Class Members; and the nature and extent of any financial  
21 relationship with Plaintiff, Class Counsel, or Defendant's Counsel; (iv) a signed declaration from  
22 Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual  
23 or potential conflicts of interest with Class Members and/or the Settlement Administrator; (v) a signed  
24 declaration from Class Counsel attesting to its competency to represent Class Members; and (vi) its  
25 timely transmission to the LWDA of all necessary PAGA documents pursuant to California Labor  
26 Code § 2699(l) (initial notice of violations (California Labor Code § 2699.3, subd. (a)), operative  
27 complaints (California Labor Code § 2699, subd. (l)(1)), this Agreement (California Labor Code §  
28 2699, subd. (l)(2)), and notice of final settlement and approval; and all facts relevant to any actual or

1 potential conflict of interest with Class Members and/or the Administrator. Class Counsel will provide  
2 Defendant's Counsel a draft of the preliminary approval motion at least five (5) court days before  
3 filing it with the Court. Defendant's Counsel will provide Class Counsel declarations pursuant to the  
4 Class Action Case Management Order # 1, Sections G.3.b and G.3.k.ii, at least five (5) court days  
5 before Class Counsel files the preliminary approval motion with the Court. Additionally, concurrently  
6 with the filing of the motion for preliminary approval, Defendant or Defendant's Counsel will file a  
7 motion or memorandum in support of the definition of the Released Parties. Defendant agrees not to  
8 oppose the motion for preliminary approval of the Settlement so long as the motion for preliminary  
9 approval is consistent with this Settlement Agreement. By way of said motion, Plaintiff will apply for  
10 the entry of the Preliminary Approval Order seeking the following:

- 11 a. Conditionally certifying the Class for settlement purposes only;
- 12 b. Granting Preliminary Approval of the Settlement;
- 13 c. Preliminarily appointing Plaintiff as the representative of the Class;
- 14 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 15 e. Approving as to form and content, the mutually-agreed upon and proposed  
16 Notice Packet and directing its mailing by First Class U.S. Mail;
- 17 f. Approving the manner and method for Class Members to request exclusion  
18 from or object to the Class Settlement as contained herein and within the Class Notice;
- 19 g. Scheduling a Final Approval Hearing at which the Court will determine whether  
20 Final Approval of the Settlement should be granted.

21 25. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),  
22 Class Counsel shall notify the LWDA of the Settlement.

23 26. Delivery of Class List. Within twenty-one (21) calendar days of Preliminary Approval,  
24 Defendant will provide the Class List to the Settlement Administrator.

25 27. Notice by First-Class U.S. Mail.

- 26 a. No later than three (3) business days after receipt of the Class List, the  
27 Settlement Administrator shall notify Class Counsel that the Class List has been received and state the  
28 number of Class Members, PAGA Employees, Workweeks, and Pay Periods in the Class List, and

1 whether the escalator clause has been triggered.

2           b.       Within seven (7) calendar days after receiving the Class List from Defendant,  
3 the Settlement Administrator will perform a search based on the National Change of Address Database  
4 or any other similar services available, such as provided by Experian, for information to update and  
5 correct for any known or identifiable address changes, and will mail a Notice Packet in English and  
6 Spanish (in the forms attached as **Exhibit A**, **Exhibit B**, and **Exhibit C** to this Settlement Agreement)  
7 to all Class Members via First-Class U.S. Mail, using the most current, known mailing addresses  
8 identified by the Settlement Administrator.

9           c.       Any Notice Packet returned to the Settlement Administrator as undeliverable  
10 on or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding  
11 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on  
12 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly  
13 attempt to determine the correct address using a skip-trace or other search, using the name, address,  
14 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)  
15 calendar days.

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

25           e.       Compliance with the procedures described herein above shall constitute due and  
26 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.  
27 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to  
28 provide notice of the Settlement.

1           28.   Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an  
2 opportunity to dispute the number of Workweeks and/or Pay Periods to which they have been credited,  
3 as reflected in their respective Class Notices, by submitting a timely and valid Dispute to the  
4 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the  
5 postmark on the return mailing envelope will be the exclusive means to determine whether a Dispute  
6 has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data  
7 as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class  
8 Member, Defendant's records will be presumed to be correct and determinative of the dispute.  
9 However, if a Class Member produces information and/or documents to the contrary, the Settlement  
10 Administrator will evaluate the materials submitted by the Class Member and the Settlement  
11 Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that  
12 the disputing Class Member should be credited with under the Settlement. The Settlement  
13 Administrator's decision on such disputes will be final and non-appealable. The Settlement  
14 Administrator shall promptly provide copies of all Disputes to Defendant's Counsel and Class Counsel  
15 and the Settlement Administrator's determination of the challenges.

16           29.   Requesting Exclusion from the Class Settlement. Any Class Member wishing to be  
17 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the  
18 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the  
19 postmark on the return mailing envelope will be the exclusive means to determine whether a Request  
20 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class  
21 Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are  
22 submitted, and also identify the individuals who have submitted a timely and valid Request for  
23 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.  
24 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members  
25 to request exclusion from the Class Settlement. Any Class Member who submits a Request for  
26 Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who  
27 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will  
28 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively

1 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion  
2 will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining  
3 to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants  
4 Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be issued  
5 their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

6 30. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class  
7 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by  
8 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing  
9 envelope will be the exclusive means to determine whether a Notice of Objection has been timely  
10 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's  
11 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely  
12 and complete and which were not), and also attach them to a declaration that is to be filed with the  
13 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel  
14 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or  
15 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or  
16 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of  
17 whether they have submitted a Notice of Objection.

18 31. Settlement Administrator Duties. The Settlement Administrator has a duty to perform  
19 or observe all tasks to be performed or observed by the Settlement Administrator contained in this  
20 Agreement or otherwise.

21 a. Website and Toll-Free Number. The Settlement Administrator will establish,  
22 maintain, and use an internet website (or maintain and use a portion of its existing internet website) to  
23 post information of interest to Class Members, including the date, time and location for the Final  
24 Approval Hearing and copies of the Settlement Agreement, motion for preliminary approval, the  
25 Preliminary Approval Order, the Class Notice, the motion for final approval, and the Final Approval  
26 Order and Judgment. The Settlement Administrator will also maintain and monitor a toll-free  
27 telephone number to receive Class Member calls.

28 ///

1           b.     Requests for Exclusion (Opt-outs) and Exclusion List. The Settlement  
2 Administrator will promptly review on a rolling basis all Requests for Exclusion to ascertain their  
3 validity. Not later than five (5) court days after the expiration of the Response Deadline, the  
4 Settlement Administrator shall email a list to Class Counsel and Defendant's Counsel containing (a)  
5 the names and other identifying information of Class Members who have timely submitted valid  
6 Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class  
7 Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for  
8 Exclusion submitted (whether valid or invalid).

9           c.     Weekly Reports. The Settlement Administrator shall provide weekly reports  
10 to counsel for the Parties providing: (a) the number of undeliverable and re-mailed Notice Packets;  
11 (ii) the number of Class Members who have submitted Disputes; (iii) the number of Class Members  
12 who have submitted Requests for Exclusion; and (iv) the number of Settlement Class Members who  
13 have submitted Notices of Objection. Additionally, the Settlement Administrator will provide to  
14 counsel for the Parties any updated reports regarding the administration of the Settlement Agreement  
15 as needed or requested, and immediately notify the Parties when it receives a request from an  
16 individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a  
17 Dispute.

18           e.     Settlement Administrator's Declaration. Not later than fourteen (14) calendar  
19 days before the date by which Plaintiff is required to file the motion for final approval of the  
20 Settlement, the Settlement Administrator will provide to Class Counsel and Defendant's Counsel a  
21 signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of  
22 its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the  
23 Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class  
24 Members, the total number of Requests for Exclusion from Settlement it received (both valid or  
25 invalid), the number of written Notices of Objection to Settlement, and attach the Exclusion List. The  
26 Settlement Administrator will supplement its declaration as needed or requested by the Parties and/or  
27 the Court. Class Counsel is responsible for filing the Settlement Administrator's declaration(s) in  
28 Court.

1 f. Final Report by Settlement Administrator. Within ten (10) calendar days after  
2 the Settlement Administrator disburses all funds in the Gross Settlement Amount, the Settlement  
3 Administrator will provide Class Counsel and Defendant's Counsel with a final report detailing its  
4 disbursements by employee identification number only of all payments made under this Agreement.  
5 At least fifteen (15) calendar days before any deadline set by the Court, the Settlement Administrator  
6 will prepare, and submit to Class Counsel and Defendant's Counsel, a signed declaration suitable for  
7 filing in Court attesting to its disbursement of all payments required under this Agreement. Class  
8 Counsel is responsible for filing the Settlement Administrator's declaration in Court.

9 32. Defendant's Right to Rescind. If more than ten percent (10%) of the Class Members  
10 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement  
11 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class  
12 Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of  
13 the number of Class Members who have submitted timely and valid Requests for Exclusion following  
14 the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement  
15 administration owed to the Settlement Administrator incurred up to that date.

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

19 34. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After  
20 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final  
21 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)  
22 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'  
23 Fees and Costs; and (e) Settlement Administration Costs. The Final Approval Hearing will not be  
24 held earlier than thirty (30) calendar days after the Response Deadline. Not later than sixteen (16)  
25 court days before the calendared Final Approval Hearing, or other date set by the Court, Plaintiff will  
26 file in Court a motion for final approval of the Settlement that includes a request for approval of the  
27 PAGA settlement under California Labor Code section 2699, subd. (l) and a Final Approval Order  
28 and Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these

1 documents to Defendant's Counsel prior to filing the Motion for Final Approval. Class Counsel and  
2 Defendant's Counsel will expeditiously meet and confer in person or by telephone, and in good faith,  
3 to resolve any disagreements concerning the Motion for Final Approval. By way of said motion,  
4 Plaintiff will apply for the entry of the Final Approval Order and Judgment, which will provide for, in  
5 substantial part, the following:

- 6 a. Approval of the Settlement as fair, reasonable, and adequate, and directing  
7 consummation of its terms and provisions;
- 8 b. Certification of the Settlement Class;
- 9 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 10 d. Directing Defendant to fund all amounts due under the Settlement Agreement  
11 and ordered by the Court; and
- 12 e. Entering judgment in the Action, while maintaining continuing jurisdiction, in  
13 conformity with California Rules of Court 3.769 and the Settlement Agreement.

14 35. Funding of the Gross Settlement Amount. No later than twenty-one (21) calendar days  
15 after the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified  
16 Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be  
17 established by the Settlement Administrator. Defendant shall provide all information necessary for  
18 the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit  
19 state unemployment insurance tax ID number, and other information requested by the Settlement  
20 Administrator, no later than twenty-one (21) calendar days after the Effective Date.

21 36. Distribution of the Gross Settlement Amount. Within five (5) business days of the  
22 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual  
23 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,  
24 LWDA Payment to the LWDA, Attorneys' Fees and Costs to Class Counsel, and Settlement  
25 Administration Costs to itself. The Settlement Administrator shall also set aside the Employer Taxes  
26 and all Employee Paid Taxes, contributions, and withholding, and timely forward these to the  
appropriate government authorities.

27 ///

28 ///

1           37.    Settlement Checks. The Settlement Administrator will be responsible for undertaking  
2 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way  
3 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the  
4 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the  
5 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA  
6 Payment into one check if the intended recipient for both payments is one individual. Settlement  
7 Class Members and PAGA Employees are not required to submit a claim to be issued an Individual  
8 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and  
9 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)  
10 calendar days from the date the checks are issued, and thereafter, shall be canceled. The Settlement  
11 Administrator shall mail a reminder postcard by First Class U.S. Mail to any Settlement Class Member  
12 and/or PAGA Employee whose Individual Settlement Payment and/or Individual PAGA Payment  
13 check has not been negotiated within sixty (60) calendar days after the date of mailing. Any funds  
14 associated with such canceled checks shall be distributed by the Settlement Administrator to the State  
15 of California's Unclaimed Property Division in the name of the Settlement Class Member or PAGA  
16 Employee. The Parties agree that this disposition results in no "unpaid residue" under California Civil  
17 Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Settlement Class  
18 Members, whether or not they cash their settlement checks. Therefore, Defendant will not be required  
19 to pay any interest on such amounts. The Settlement Administrator shall undertake amended and/or  
20 supplemental tax filings and reporting required under applicable local, state, and federal tax laws that  
21 are necessitated due to the cancelation of any Individual Settlement Payment and/or Individual PAGA  
22 Payment checks.

23           38.    Class Settlement Release. Upon the Effective Date and full funding of the Gross  
24 Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally,  
25 and forever released, settled, compromised, relinquished, and discharged the Released Parties of all  
26 Released Class Claims. By virtue of this release, any claims under the FLSA that are predicated on  
27 the Released Class Claims are subject to res judicata pursuant to applicable law including but not  
28 limited to *Rangel v. PLS Check Cashers of California Inc.*, 899 F.3d 1106 (9th Cir. 2018) and therefore

1 cannot be asserted in a future action.

2 39. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross  
3 Settlement Amount, Plaintiff and the State of California with respect to all PAGA Employees shall  
4 release the Released Parties from the Released PAGA Claims.

5 40. Final Approval Order and Judgment. The Parties shall provide the Settlement  
6 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,  
7 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for  
8 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the  
9 Class will be required.

10 41. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the  
11 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and  
12 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the  
13 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,  
14 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this  
15 Settlement Agreement.

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

27 ///

28 ///

1           43.   Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the  
2 reviewing Court vacates, reverses, or modifies the Final Approval Order and Judgment in a manner  
3 that requires a material modification of this Agreement (including, but not limited to, the scope of  
4 release to be granted by Settlement Class Members), this Agreement shall be null and void. The  
5 Parties shall nevertheless expeditiously work together in good faith to address the appellate court's  
6 concerns and to obtain Final Approval and entry of the Final Approval Order and Judgment, sharing,  
7 on a 50-50 basis, any additional Settlement Administrator's expenses reasonably incurred after  
8 remittitur.

9           44.   Amended Judgment. If any amended judgment is required under Code of Civil  
10 Procedure § 384, the Parties will work together in good faith to jointly submit a proposed amended  
11 judgment.

12           45.   Effects of Termination or Rescission of Settlement. Termination or rescission of the  
13 Settlement Agreement shall have the following effects:

14                   a.   The Settlement Agreement shall be void and shall have no force or effect, and  
15 no Party shall be bound by any of its terms;

16                   b.   In the event the Settlement Agreement is terminated, Defendant shall have no  
17 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating  
18 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement  
19 Administrator is notified that the Settlement has been terminated;

20                   c.   The Preliminary Approval Order, Final Approval Order and Judgment,  
21 including any order certifying the Class, shall be vacated;

22                   d.   The Settlement Agreement and all negotiations, statements, and proceedings  
23 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be  
24 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

25                   e.   Neither this Settlement Agreement, nor any ancillary documents, actions,  
26 statements, or filings in furtherance of the Settlement (including all matters associated with the  
27 mediation) shall be admissible or offered into evidence in the Action or any other action for any  
28 purpose whatsoever; and

1 f. Any documents generated to bring the Settlement into effect, will be null and  
2 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will  
3 likewise be treated as void from the beginning.

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

8 51. Integrated Agreement. Upon execution by all Parties and their counsel, this  
9 Agreement, together with its attached exhibits and the individual settlement agreement executed by  
10 Defendant and Plaintiff, shall constitute the entire agreement between the Parties relating to the  
11 Settlement, superseding any and all oral representations, warranties, covenants, or inducements made  
12 to or by any Party.

13 52. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the  
14 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all  
15 prior or contemporaneous agreements, understandings, representations, and statements, whether oral  
16 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or  
17 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties  
18 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),  
19 which provide that a written agreement is to be construed according to its terms and may not be varied  
20 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written  
21 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

22 53. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in  
23 the Action (including with respect to California Code of Civil Procedure § 583.310), except such  
24 proceedings necessary to implement and complete this Settlement Agreement, pending the Final  
25 Approval Hearing to be conducted by the Court.

26 54. Amendment or Modification. Prior to the filing of the motion for preliminary approval  
27 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement  
28 except by written agreement signed by counsel for all Parties. After the filing of the motion for  
preliminary approval of the Settlement, the Parties may not amend or modify any provision of this  
Settlement Agreement except by written agreement signed by counsel for all the Parties and subject

1 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not  
2 constitute a waiver of any other provision.

3 55. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and  
4 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement  
5 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant  
6 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
7 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have  
8 full authority to enter into this Settlement Agreement, and further intend that this Settlement  
9 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible  
10 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation  
11 confidentiality provisions that otherwise might apply under state or federal law.

12 56. Signatories. It is agreed that because the members of the Class are so numerous, it is  
13 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this  
14 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the  
15 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement  
16 as to the State of California with respect to all PAGA Employees, and the releases provided for by this  
17 Settlement Agreement shall have the same force and effect as if this Settlement Agreement were  
18 executed by each Class Member.

19 57. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,  
20 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

21 58. California Law Governs. All terms of this Settlement Agreement and attached exhibits  
22 hereto will be governed by and interpreted according to the laws of the State of California.

23 59. Execution and Counterparts. This Settlement Agreement is subject only to the  
24 execution of all Parties. However, this Settlement Agreement may be executed in one or more  
25 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned  
26 copies of the signature page, will be deemed to be one and the same instrument. Any executed  
27 counterpart will be admissible in evidence to prove the existence and contents of this Agreement. The  
28 Parties agree where practicable to use DocuSign, or other electronic signature technology, to expedite  
the execution of this Agreement, pursuant to California Civil Code § 1633.7.

1           60.   Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
2 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at  
3 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into  
4 account all relevant factors, present and potential. The Parties further acknowledge that they are each  
5 represented by competent counsel and that they have had an opportunity to consult with their counsel  
6 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to  
7 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement  
8 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to  
9 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

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

14           62.   Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by  
15 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate  
16 to implement the Settlement.

17           63.   Non-Admission of Liability. The Parties enter into this Settlement Agreement to  
18 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of  
19 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and  
20 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines  
21 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;  
22 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;  
23 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement  
24 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be  
25 construed as an admission or concession by Defendant of any such violations or failures to comply  
26 with any applicable law. If, for any reason the Court does not grant Preliminary Approval, Final  
27 Approval, or enter the Final Approval Order and Judgment, Defendant reserves all available defenses  
28 to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Parties

1 agree that class certification and representative treatment is for purposes of this Settlement only.  
2 Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement  
3 Agreement and its terms and provisions shall not be offered or received as evidence in any action or  
4 proceeding to establish any liability or admission on the part of Defendant or to establish the existence  
5 of any condition constituting a violation of, or a non-compliance with, federal, state, local or other  
6 applicable law.

7       64. Confidentiality. Neither Plaintiff nor Class Counsel shall issue any press release or  
8 announcement of any kind related in any way to the Settlement. Plaintiff and Class Counsel agree  
9 that, prior to Preliminary Approval, they will keep the terms of this Settlement confidential except for  
10 purposes of communicating with Plaintiff only, and will not disclose, disseminate, and/or publicize,  
11 or cause or permit another person to disclose, disseminate, or publicize (to include by not limited to  
12 posting on websites, settlement reporting services, and/or other media or social media), whether  
13 verbally or in writing, any of the terms of the Agreement directly or indirectly, specifically or  
14 generally, to any person, corporation, association, government agency, or other entity except: (1) to  
15 the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement  
16 confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate  
17 taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or  
18 subpoena issued by a state or federal government agency. Each Party agrees to immediately notify  
19 the other Party of any judicial or agency order, inquiry, or subpoena seeking such information.  
20 Plaintiff and Class Counsel separately agree not to, directly or indirectly, initiate any conversation or  
21 other communication, before the filing of the motion for preliminary approval, with any third party  
22 regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the  
23 matter was resolved," or words to that effect. Plaintiff shall be informed that the Settlement is  
24 confidential and shall be advised to keep the Settlement confidential.

25       From and after Preliminary Approval, Plaintiff and Class Counsel may: (1) as required by law;  
26 (2) as required under the terms of the Settlement; or (3) as required under counsel's duties and  
27 responsibilities as Class Counsel, comment regarding the specific terms of the Settlement. In all other  
28 cases, Plaintiff and Class Counsel agree to limit their statements regarding the terms of the Settlement,

1 whether oral, written or electronic (including the world wide web), to say the Action has been resolved  
2 and that Plaintiff and Class Counsel are satisfied with the Settlement terms. This Settlement shall not  
3 be advertised or mentioned on any source, including Plaintiff's counsels' personal or firm website(s).

4 Nothing in this section is intended to interfere with Class Counsel's duties and obligations to  
5 faithfully discharge their duties as Class Counsel, including but not limited to, communicating with  
6 Class Members regarding the Settlement. Nothing herein will restrict Class Counsel from including  
7 publicly available information regarding this Settlement in future judicial submissions regarding Class  
8 Counsel's qualifications and experience. Furthermore, Plaintiff and Class Counsel will undertake any  
9 and all disclosures required to be made to the LWDA in conformity with PAGA.

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

15 66. Headings. The headings and paragraph numbers in this Settlement Agreement are  
16 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or  
17 intent of the provisions of this Settlement Agreement.

18 67. Use and Return of Class List. Information provided to Class Counsel pursuant to Cal.  
19 Evid. Code section 1152, and all copies and summaries of the Class List provided to Class Counsel  
20 by Defendant in connection with the mediation, other settlement negotiations, or in connection with  
21 the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not  
22 be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later  
23 than ninety (90) calendar days after the date when the Court discharges the Settlement Administrator's  
24 obligation to provide a declaration confirming the final pay out of all Settlement funds, upon  
25 Defendant's written request to Class Counsel, Plaintiff shall destroy all paper and electronic versions  
26 of the Class List received from Defendant unless, prior to the Court's discharge of the Settlement  
27 Administrator's obligation, Defendant make a written request to Class Counsel for the return, rather  
28 than the destruction, of the Class List.

1           68.   Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and  
2 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be  
3 construed more strictly against one Party than another merely by virtue of the fact that it may have  
4 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length  
5 negotiations between the Parties, all Parties have contributed equally to the preparation of this  
6 Settlement Agreement.

7           69.   Representation By Counsel. The Parties acknowledge that they have been represented  
8 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and  
9 that this Settlement Agreement has been executed with the consent and advice of counsel, and  
10 reviewed in full.

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

13           71.   Notices. All notices, demands, and other communications to be provided concerning  
14 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third  
15 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed  
16 as follows:

17                           To Plaintiff and Class Counsel:

18                           Jonathan M. Genish

19                           jgenish@blackstonepc.com

20                           Miriam L. Schimmel

21                           mschimmel@blackstonepc.com

22                           Joana Fang

23                           jfang@blackstonepc.com

24                           Alexandra Rose

25                           arose@blackstonepc.com

26                           Jared C. Osborne

27                           josborne@blackstonepc.com

28                           **BLACKSTONE LAW, APC**

8383 Wilshire Boulevard, Suite 745

Beverly Hills, California 90211

Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant:

Jason W. Kearnaghan

jkearnaghan@sheppardmullin.com

Y. Douglas Yang

dyang@sheppardmullin.com

1 Emma Husseman  
ehusseman@sheppardmullin.com  
2 **SHEPPARD, MULLIN, RICHTER & HAMPTON LLP**  
3 350 South Grand Ave, 40th Floor  
4 Los Angeles, California 90071  
Tel: (213) 620-1780 / Fax: (213) 620-1398

5 72. Cooperation and Execution of Necessary Documents. All Parties and their counsel will  
6 cooperate with each other in good faith and use their best efforts to implement the Settlement,  
7 including and not limited to, executing all documents to the extent reasonably necessary to effectuate  
8 the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or  
9 content of any document needed to implement the Settlement Agreement, or on any supplemental  
10 provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties  
11 may seek the assistance of the Mediator and then the Court to resolve such disagreement.

12 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Class  
13 and PAGA Representative Action Settlement Agreement:

14 **IT IS SO AGREED.**

15 **PLAINTIFF URBANO ZAVALA LOPEZ**

16  
17 Dated: 11/7/2025

Urbano Zavala Lopez

Plaintiff Urbano Zavala Lopez

18  
19 **DEFENDANT FOOD FOR LIFE BAKING**  
20 **CO., INC.**

21 Dated: 11/18/2025

Scott Mathew Kraus

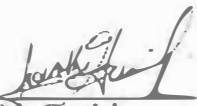
Full Name: Scott Mathew KRAUS

22  
23 Title: Chief Financial Officer  
24 On behalf of Food for Life Baking Co., Inc.

1 **APPROVED AS TO FORM ONLY:**

2 **BLACKSTONE LAW, APC**

3  
4 Dated: 11/07/2025

5   
Jonathan M. Genish  
6 *Attorneys for* Plaintiff Urbano Zavala Lopez  
and Proposed Class Counsel

7 **SHEPPARD, MULLIN, RICHTER &**  
8 **HAMPTON LLP**

9  
10 Dated: 11/18/2025

11   
Jason W. Kearnaughan  
12 Y. Douglas Yang  
Emma Husseman  
13 *Attorneys for* Defendant Food for Life Baking  
Co., Inc.

## **EXHIBIT A**

## **NOTICE OF CLASS ACTION SETTLEMENT**

### ***Urbano Zavala Lopez v. Food for Life Baking Co., Inc.* Superior Court of California for the County of Riverside, Case Nos. CVRI2305901**

#### **PLEASE READ THIS CLASS NOTICE CAREFULLY.**

**You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.**

**You do not need to take any action to receive a settlement payment.**

**This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.**

**YOU ARE NOTIFIED THAT:** A class and representative action settlement has been reached between Plaintiff Urbano Zavala Lopez ("Plaintiff") and Defendant Food for Life Baking Co., Inc. ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Riverside County Superior Court Case No. CVRI2305901 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

#### **SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

|                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>You Don't Have to Do Anything to Participate in the Settlement</b>                                                                                                    | If you do nothing, you will be a Settlement Class Member, eligible for an Individual Settlement Share and an Individual PAGA Payment (if any). In exchange, you agree to release the Released Class Claims against the Released Parties that are covered by the Settlement. See Section <b>III.D</b> of this Class Notice.                                                                                                                                                                                                            |
| <b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b>                                                                                               | If you don't want to fully participate in the proposed Class Settlement, you can opt-out of the Class Settlement by sending the Settlement Administrator a Request for Exclusion. Once excluded, you will no longer be eligible for an Individual Settlement Payment. See Section <b>IV.B</b> of this Class Notice.                                                                                                                                                                                                                   |
| <b>The Opt-out Deadline is [Response Deadline]</b>                                                                                                                       | You cannot opt-out of the PAGA Settlement. Defendant must pay Individual PAGA Payments to all PAGA Employees.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Settlement Class Members Can Object to the Class Settlement but not the PAGA Settlement</b><br><br><b>Written Objections Must be Submitted by [Response Deadline]</b> | All Class Members who do not submit a timely and valid Request for Exclusion ("Settlement Class Members") can object to the Class Settlement by sending the Settlement Administrator a Notice of Objection. See Section <b>IV.C</b> of this Class Notice.<br><br>Settlement Class Members cannot object to the PAGA Settlement.                                                                                                                                                                                                       |
| <b>You Can Dispute the Number of Your Workweeks and/or Pay Periods (if any)</b><br><br><b>Written Disputes Must be Submitted by [Response Deadline]</b>                  | The amount of your Individual Settlement Share and Individual PAGA Payment (if any) depend on how many Workweeks and Pay Periods (if any) you were determined to have worked during the Class Period and/or PAGA Period. If you disagree with either of the numbers below, you must submit a Dispute to the Settlement Administrator. See Section <b>III.B</b> of this Class Notice.<br><br>You have been credited with [ ] Workweeks during the Class Period.<br>You have been credited with [ ] Pay Periods during the PAGA Period. |

## **I. IMPORTANT DEFINITIONS**

“**Class**” or “**Class Member(s)**” means Plaintiff and all current and former hourly-paid employees who worked for Defendant in the State of California at any time during the Class Period.

“**Class Period**” means the period from November 2, 2019 through December 31, 2024.

“**Class Settlement**” means the settlement and resolution of all Released Class Claims.

“**PAGA Employee(s)**” means all current and former hourly-paid employees who worked for Defendant in the State of California at any time during the PAGA Period.

“**PAGA Period**” means the period from November 2, 2022 through [the date of Preliminary Approval].

“**PAGA Settlement**” means the settlement and resolution of all Released PAGA Claims.

## **II. BACKGROUND OF THE ACTION**

On November 2, 2023, Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated (“PAGA Letter”). On November 2, 2023, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Action. On October 16, 2025, Plaintiff filed a First Amended Class and Representative Action Complaint (“Operative Complaint”).

Plaintiff is a current, but inactive employee of Defendant. Plaintiff contends that Defendant failed to pay minimum wages, failed to pay overtime wages, failed to provide compliant meal periods and premium payments in lieu thereof, failed to provide compliant rest periods and premiums payments in lieu thereof, failed to timely pay wages during employment, failed to timely pay wages upon termination of employment, failed to provide accurate wage statements, and failed to reimburse necessary business expenses, for violations of California Business & Professions Code Sections 17200-17210 based on the aforementioned California Labor Code violations, and for civil penalties under the Private Attorneys General Act (“PAGA”) based on the aforementioned California Labor Code violations. Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendant strongly denies that it violated any laws or failed to pay any wages and further denies any liability whatsoever to Plaintiff, the Class, or PAGA Employees. Defendant contends it complied with all applicable laws.

The Parties participated in mediation with a respected class action mediator, in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) with no decision or admission of who is right or wrong, rather than continuing the expensive and time-consuming process of litigation. As a result, the Parties reached a settlement. The Parties have since entered into a Class and PAGA Representative Action Settlement Agreement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action LLC as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Urbano Zavala Lopez as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish  
Miriam L. Schimmel  
Joana Fang  
Alexandra Rose  
Jared C. Osborne  
**Blackstone Law, APC**  
8383 Wilshire Boulevard, Suite 745  
Beverly Hills, California 90211

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval hearing.

### **III. SUMMARY OF THE PROPOSED SETTLEMENT**

#### **A. Settlement Formula**

The total gross settlement amount is Eight Hundred Forty Thousand Dollars and Zero Cents (\$840,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed 35% of the Gross Settlement Amount (i.e., \$294,000.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) to Class Counsel; (2) the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500.00) (“LWDA Payment”) and the remaining 25% (\$12,500.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (3) Settlement Administration Costs in an amount not to exceed Eight Thousand Dollars and Zero Cents (\$8,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendant, for at least one day, as an hourly-paid and/or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Settlement Class Members will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty-five percent (25%) as wages, which will be reported on an IRS Form W-2, and seventy-five percent (75%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares (“Employee Paid Taxes”) resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each PAGA Employee worked for Defendant for at least one day during the PAGA Period (“Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the “PAGA Workweek Value,” and multiplied each PAGA Employee’s individual Pay Periods by the PAGA Workweek Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or

withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

**B. Your Workweeks and Pay Periods (if applicable) Based on Defendant's Records**

According to Defendant's records:

- From November 2, 2019 through December 31, 2024 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.
- From November 2, 2022 through [Preliminary Approval] (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator ("Dispute"). The Dispute must: (a) contain the case name and number of the Action (*Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Case No. CVRI2305901); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

You need to support your challenge by sending copies of pay stubs or other records. The Settlement Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Class Members) and Defendant's counsel. The Settlement Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

**C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)**

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and Pay Periods (if applicable) credited to you.

**Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

**Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

**D. Release of Claims**

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims. By virtue of this release, any claims under the FLSA that are predicated on the Released Class Claims are subject to res judicata pursuant to applicable law including but not limited to *Rangel v. PLS Check Cashers of California Inc.*, 899 F.3d 1106 (9th Cir. 2018) and therefore cannot be asserted in a future action.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and the State of California with respect

to all PAGA Employees shall release the Released Parties from the Released PAGA Claims.

“Released Class Claims” means any and all claims under any federal, state, or local law, which were alleged in the Operative Complaint or which could have been alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, which specifically includes all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; alleged illegal time rounding; failure to indemnify or reimburse expenses; missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods; the calculation of meal period and/or rest period premiums; payment for all hours worked, including off-the-clock work; failure to timely pay wages during employment; failure to timely pay final wages; unfair business practices related to the Released Class Claims; statutory penalties, including recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; non-compliant wage statements; and attorneys’ fees and costs; and all claims related to the Released Class Claims arising under: the California Labor Code (including sections 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802); the applicable IWC Wage Orders; California Business and Professions Code section 17200, *et seq.*; and California Code of Civil Procedure section 1021.5.

“Released PAGA Claims” means any and all claims described in the PAGA Letter and only to the extent they are alleged in the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698-2699.8, which specifically include all known and unknown claims relating to failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; alleged illegal time rounding; failure to indemnify or reimburse expenses; missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods; the calculation of meal period and/or rest period premiums; payment for all hours worked, including off-the-clock work; wage statements; failure to timely pay wages; failure to timely pay final wages; alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3, 2800, and 2802; and alleged violations of the applicable IWC Wage Orders.

“Released Parties” Defendant and all of its past, present and future agents, employees, managing agents, servants, officers, directors, members, owners (whether direct or indirect), general partners, limited partners, trustees, representatives, shareholders, stockholders, mortgagees or ground lessors, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing agencies, dual employers, alleged dual employers, co-employers, alleged co-employers, contractors, affiliates, service providers, alter-egos, alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns and any and all persons acting under, by, through or in concert with any of them.

#### **E. Attorneys’ Fees and Costs to Class Counsel**

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$294,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

#### **F. Settlement Administration Costs to Settlement Administrator**

Payment to the Settlement Administrator is estimated not to exceed Eight Thousand Dollars and Zero Cents (\$8,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

#### **IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?**

##### **A. Participate in the Settlement**

**If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything.** You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee, you will automatically be issued your Individual PAGA Payment.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

**Your check will be sent to the same address as this Class Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible.**

##### **B. Request Exclusion from the Class Settlement**

Class Members may request to be excluded from the Class Settlement by submitting a letter indicating a request to be excluded from the Class Settlement, as described below, or by completing and submitting the enclosed Request for Exclusion Form (both of which are referred to as a "Request for Exclusion") to the Settlement Administrator, at the following address:

[Settlement Administrator]  
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Case No. CVRI2305901); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

PAGA Employees will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion. PAGA Employees may not request exclusion from the PAGA Settlement.

##### **C. Object to the Class Settlement**

You can object to the Class Settlement, as long as you have not submitted a Request for Exclusion, by submitting a written objection, as described below, or by completing and submitting the enclosed Notice of Objection Form (both of which are referred to as a "Notice of Objection") to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Case No. CVRI2305901); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection; (d) attach any documents on which you are relying for the objection; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

PAGA Employees may not object to the PAGA Settlement.

## **V. FINAL APPROVAL HEARING**

The Court will hold a Final Approval Hearing in Department 1 of the Riverside County Superior Court, located at Riverside Historic Courthouse, 4050 Main Street, Riverside, California 92501, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

On the Court's website, you can find information regarding appearing remotely via Zoom online (for the Final Approval Hearing that is scheduled to be held in Department 1 of the Riverside Historic Courthouse of the Riverside Superior Court): <https://riverside.courts.ca.gov/remoteppearance>

## **VI. ADDITIONAL INFORMATION**

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement, which is attached as Exhibit [ ] to the Declaration of Alexandra Rose in Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement filed on [MPA filing date] and other papers which are on file with the Records Management Division of the Riverside County Superior Court, located at the Riverside Historic Courthouse, 4050 Main Street, Riverside, California 92501. Some documents and information regarding the Action can also be accessed online for a fee or at a minimal charge at the Riverside County Superior Court's website (<https://epublic-access.riverside.courts.ca.gov/public-portal/>). To look up and access documents and information on the Court's systems, you will need to use the case number for the Action (Case No. CVRI2305901).

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.**

**IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**

### **IMPORTANT:**

- **What if Your Address Changes** - To receive your check, you should immediately notify the Settlement Administrator if you move or otherwise change your mailing address.
- **What if You Fail to Cash a Check** - Settlement checks will be null and void 180 days after issuance if not deposited or cashed, and this expiration date is printed on the check. In such events, the Settlement Administrator shall direct all unclaimed funds to be paid to the California Controller's Unclaimed Property Division in the name of and for the benefit of the individual who did not cash their check. The funds may be claimed at [https://www.sco.ca.gov/upd\\_msg.html](https://www.sco.ca.gov/upd_msg.html).
- **What if You Lose Your Check** - If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Division website for instructions on how to retrieve the funds.

## **EXHIBIT B**

**REQUEST FOR EXCLUSION FORM**

**USE AND RETURN THIS FORM ONLY IF YOU WISH TO EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT.**

**If you wish to exclude yourself from the Class Settlement**, you must read and sign the following statement and return this form to the Settlement Administrator, by mail, postmarked on or before **[Response Deadline]**, at the following mailing address:

**[Settlement Administrator]**

**[Mailing Address]**

I request to be excluded from the class action settlement in the matter of *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.* By excluding myself from the class action settlement, I understand that I will not be bound by the settlement and release of the Released Class Claims, and I will not receive an Individual Settlement Payment. I understand that, nevertheless, if I am a PAGA Employee, exclusion from the Class Settlement will not result in exclusion from the PAGA Settlement and I will still be issued an Individual PAGA Payment.

Date: \_\_\_\_\_

Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Signature: \_\_\_\_\_

To ensure that this form is properly processed on your behalf and to avoid confusion in the event that multiple individuals having the same or similar names submit this form, please provide the last 4 digits of your Social Security Number to the administrator so that your identity may be confirmed:

\_\_\_\_\_

**If you do not wish to exclude yourself from the Class Settlement (and you wish to receive payment from the Class Settlement), you should not complete or return this form – you do not need to take any action.**

## **EXHIBIT C**

**NOTICE OF OBJECTION FORM**

**USE AND RETURN THIS FORM ONLY IF YOU WISH TO OBJECT TO THE CLASS SETTLEMENT.**

**If you wish to object to the Class Settlement**, you must state all grounds for your objection (space is provided below for doing so), attach any documents you are relying on for your objection, provide your signature, and return this form to the Settlement Administrator, by mail, postmarked on or before **[Response Deadline]**, at the following mailing address:

**[Settlement Administrator]**

**[Mailing Address]**

I wish to object to the Class Settlement on the following grounds:

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Date: \_\_\_\_\_

Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Signature: \_\_\_\_\_

To ensure that this form is properly processed on your behalf and to avoid confusion in the event that multiple individuals having the same or similar names submit this form, please provide the last 4 digits of your Social Security Number to the administrator so that your identity may be confirmed:

\_\_\_\_\_

# **EXHIBIT 4**

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## Thank you for your Proposed Settlement Submission

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**Desde** no-reply@formassembly.com <no-reply@formassembly.com>

**Fecha** Jue 4 Dic 2025 17:14

**Para** Karina Hernandez <khernandez@blackstonepc.com>

[External Email].

12/04/2025 05:13:50 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 12/04/2025 05:13:50 PM your Proposed Settlement was successfully processed for case number LWDA-CM-991427-23

If you have questions or concerns regarding this submission or your case, please send an email to [pagainfo@dir.ca.gov](mailto:pagainfo@dir.ca.gov).

DIR PAGA Unit on behalf of  
Labor and Workforce Development Agency

Website: [http://labor.ca.gov/Private Attorneys General Act.htm](http://labor.ca.gov/Private_Attorneys_General_Act.htm)