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Attorneys for Plaintiffs
Dane Carter and Josue Camargo Luna

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

DANE CARTER and JOSUE CAMARGO
LUNA, individually, and on behalf of all others
similarly situated,

Plaintiffs,

vs.

QUANTUM FUEL SYSTEMS LLC, a California
limited liability company; and DOES 1 through
10, inclusive,

Defendants.

Case No. 30-2023-01334066-CU-OE-CXC
Related Case No. 30-2024-01378128-CU-OE-
CXC

*Assigned for all purposes to:
Hon. Melissa R. McCormick
Dept. CX105*

**[PROPOSED] ORDER GRANTING
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

PRELIMINARY APPROVAL HEARING

Date: January 8, 2026

Time: 2:00 p.m.

Dept.: CX105

Reservation Number: 74717264

1 **[PROPOSED] ORDER**

2 Having reviewed plaintiffs Dane Carter and Josue Camargo Luna's ("Plaintiffs") Motion
3 for Preliminary Approval of Class Action and PAGA Settlement ("Motion"), the Declaration of
4 John G. Yslas, and the Class Action and PAGA Settlement Agreement ("Settlement
5 Agreement"), and good cause appearing, the Court finds and orders as follows:

6 1. The Court finds on a preliminary basis that the Settlement Agreement appears to
7 be fair, adequate, and reasonable and therefore meets the requirements for preliminary approval.
8 The Court grants preliminary approval of the Settlement and the Settlement Class based on the
9 terms set forth in the Settlement Agreement between Plaintiffs and defendant Quantum Fuel
10 Systems LLC ("Defendant"), attached to the Declaration of John G. Yslas in Support of Motion
11 for Preliminary Approval of Class Action and PAGA Settlement as Exhibit 1 and attached hereto
12 as **Exhibit 1**.

13 2. The Settlement falls within the range of reasonableness of a settlement which
14 could ultimately be given final approval by this Court, and appears to be presumptively valid,
15 subject only to any objections that may be raised at the Final Approval Hearing and final
16 approval by this Court. The Court notes that Defendant has agreed to create a common fund of
17 \$1,250,000.00 to cover (a) settlement payments to Class Members who do not validly opt out;
18 (b) a \$75,000.00 allocation toward civil penalties under the Private Attorneys General Act, 75%
19 of which (\$56,250.00) will be paid to the State of California, Labor & Workforce Development
20 Agency and 25% of which (\$18,750.00) will be paid to eligible Aggrieved Employees; (c) Class
21 Representatives Service Payments of up to \$10,000.00 to each Plaintiff; (d) Class Counsel's
22 attorneys' fees, not to exceed one-third (1/3) of the Gross Settlement Amount (i.e.,
23 \$416,666.67), and up to \$30,000.00 in costs for actual litigation expenses incurred by Class
24 Counsel; and (e) Settlement Administration Costs of up to \$6,990.00.

25 3. The Court preliminarily finds that the terms of the Settlement appear to be within
26 the range of possible approval, pursuant to California Code of Civil Procedure § 382 and
28 applicable law. The Court finds on a preliminary basis that: (1) the Settlement amount is fair
and reasonable to the Class Members when balanced against the probable outcome of further

1 litigation relating to class certification, liability and damages issues, and potential appeals; (2)
2 significant informal discovery, investigation, research, and litigation have been conducted such
3 that counsel for the Parties at this time are able to reasonably evaluate their respective positions;
4 (3) settlement at this time will avoid substantial costs, delay, and risks that would be presented
5 by the further prosecution of the litigation; and (4) the proposed Settlement has been reached as
6 the result of intensive, serious, and non-collusive negotiations between the Parties with the
7 assistance of a well-respected class action mediator. Accordingly, the Court preliminarily finds
8 that the Settlement Agreement was entered into in good faith.

9 4. A final fairness hearing on the question of whether the proposed Settlement,
10 attorneys' fees and costs to Class Counsel, payment to the State of California, Labor &
11 Workforce Development Agency for its share of the settlement of claims for penalties under the
12 Private Attorneys General Act, and the Class Representatives' service payments should be
13 finally approved as fair, reasonable and adequate as to the members of the Class is hereby set
14 in accordance with the Implementation Schedule set forth below.

15 5. The Court provisionally certifies for settlement purposes only the following class
16 (the "Class"): "all current and former hourly, non-exempt employees who were employed by
17 Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing
18 agency, or professional employer organization, in the State of California, at any time during the
19 Class Period."

20 6. "Class Period" means the period from January 2, 2019 through April 28, 2025.

21 7. "Aggrieved Employee" includes all current and former hourly, non-exempt
22 employees employed by Defendant in the State of California at any time during the PAGA
23 Period." "PAGA Period" means the period October 1, 2022 through April 28, 2025.

24 8. The Court finds, for settlement purposes only, that the Settlement Class meets the
25 requirements for certification under California Code of Civil Procedure § 382 in that: (1) the
26 Settlement Class Members are so numerous that joinder is impractical; (2) there are questions
28 of law and fact that are common, or of general interest, to all Settlement Class Members, which
predominate over individual issues; (3) Plaintiff's claims are typical of the claims of the

Settlement Class Members; (4) Plaintiff and Class Counsel will fairly and adequately protect the interests of the Settlement Class Members; and (5) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

9. The Court appoints as Class Representatives, for settlement purposes only, Plaintiffs. The Court further preliminarily approves Plaintiffs' ability to request a service payment up to \$10,000.00 to each Plaintiff.

10. The Court appoints, for settlement purposes only, John G. Yslas, Jeffrey C. Bils, Aram Boyadjian, Lisa B. Iturriaga, and Andrew Sandoval of Wilshire Law Firm, PLC, as Class Counsel. The Court further preliminarily approves Class Counsel's ability to request attorneys' fees of up to one-third of the Gross Settlement Amount (i.e., \$416,666.67), and costs not to exceed \$30,000.00.

11. The Court appoints Apex Class Action as the Settlement Administrator with reasonable administration costs estimated not to exceed \$6,990.00.

12. The Court approves, as to form and content the Class Notice, attached to the Settlement Agreement and attached hereto as **Exhibit A**. The Court finds on a preliminary basis that plan for distribution of the Notice to Settlement Class Members satisfies due process, provides the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto.

13. The Parties are ordered to carry out the Settlement according to the terms of the Settlement Agreement.

14. Any Class Member who does not timely and validly request exclusion from the Settlement may object to the Settlement Agreement.

15. The Court orders the following Implementation Schedule:

EVENT:	DEADLINE:
Defendant to provide Class List to the Settlement Administrator	7 days after Court grants Preliminary Approval of the Settlement
Settlement Administrator to mail the Notice	14 days after receipt of Class Data

EVENT:	DEADLINE:
Packets	
Class Member Response Deadline	45 days after mailing Notice to Class
Class Member Deadline to Object	45 days after mailing Notice to Class
Deadline for Administrator to Submit Declaration in Support of Motion for Final Approval	14 days before the last day to file Motion for Final Approval
Deadline to file Motion for Final Approval	16 court days before the calendared Final Approval Hearing
Final Approval Hearing	April 23, 2026 at 2:00 p.m [or _____ at 2:00 p.m.]

16. The Court further ORDERS that, pending further order of this Court, all proceedings in this lawsuit, except those contemplated herein and in the settlement, are stayed.

IT IS SO ORDERED.

DATE: _____

HON. MELISSA R. MCCORMICK
JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

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Attorneys for Plaintiffs Dane Carter and Josue Camargo Luna, individually
and on behalf of others similarly situated

[ADDITIONAL COUNSEL ON FOLLOWING PAGE]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

DANE CARTER and JOSUE CAMARGO
LUNA, individually, and on behalf of all
others similarly situated,

Plaintiffs,

vs.

QUANTUM FUEL SYSTEMS LLC, a
California limited liability company; and
DOES 1 through 10, inclusive,

Defendants.

Case No. 30-2023-01334066-CU-OE-CXC
Related to Case No. 30-2024-01378128-CU-
OE-CXC

*Assigned for all purposes to Hon. Melissa R.
McCormick*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

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2 Steven D. Whang (SBN 299009)
3 **KAUFMAN BORGEEST & RYAN LLP**
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28 Attorneys for Defendant Quantum Fuel Systems, LLC

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
2 between Plaintiffs Dane Carter and Josue Camargo Luna (“Plaintiffs”) and Defendant
3 Quantum Fuel Systems LLC (“Defendant”), following a full day mediation session on
4 February 27, 2025, with Steven Serratore, Esq. The Agreement refers to Plaintiffs and
5 Defendant collectively as “Parties,” or individually as “Party” and shall be effectuated upon
6 and subject to the following terms and conditions.

7 The Parties agree that the Action shall be, and is, subject to Court approval, ended,
8 settled, resolved, and concluded by agreement of Defendant to pay the settlement amount of
9 One Million Two Hundred and Fifty Thousand Dollars and Zero Cents (\$1,250,000), as
10 provided in Section 1.23 below (“Gross Settlement Amount”) pursuant to the terms and
11 conditions of this Settlement and for the consideration set forth herein, including but not
12 limited to, a full, final, and forever release of all claims by Plaintiffs, Class, and Aggrieved
13 Employees as set forth herein.

14 **1. DEFINITIONS.**

15 1.1 “Actions” means Plaintiffs’ lawsuits alleging class action wage and hour
16 violations against Defendant captioned *Carter, et al. v. Quantum Fuel Systems LLC*, Orange
17 County Superior Court, Case No. 30-2023-01334066-CU-OE-CXC, filed on June 29, 2023
18 (“Class Action”) and Case No. 30-2024-01378128-CU-OE-CXC, filed on February 8, 2024
19 (“PAGA Action”).

20 1.2 “Administrator” means Apex Class Action, the neutral entity the Parties have agreed
21 to appoint to administer the Settlement and who will be responsible for the administration of
22 Individual Settlement Payments to be made by Defendant from the Gross Settlement Amount
23 and related matters under this Settlement. The Parties each represent that they do not have
24 any financial interest in the Administrator or otherwise have a relationship with the
25 Administrator that could create a conflict of interest.

26 1.3 “Administration Costs” means the amount the Administrator will be paid from the
27 Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with
28 the Administrator’s “not to exceed” bid submitted to the Court in connection with

1 Preliminary Approval of the Settlement, as defined in Section 3.2.3.

2 1.4 “Aggrieved Employee” means all current and former hourly, non-exempt employees
3 employed by Defendant in the State of California at any time during the PAGA Period.

4 1.5 “Class” means all current and former hourly, non-exempt employees who were
5 employed by Defendant, either directly or through any predecessor, successor, assign,
6 subsidiary, staffing agency, or professional employer organization, in the State of California,
7 at any time during the Class Period.

8 1.6 “Class Counsel” means John G. Yslas, Jeffrey C. Bills, Aram Boyadjian and Andrew
9 Sandoval of Wilshire Law Firm, PLC.

10 1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class
11 Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiffs will
12 request approval from the Court of up to one-third (1/3) of the GSA (currently \$416,666.67),
13 as defined in Section 3.2.2.

14 1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class
15 Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the
16 Action, not to exceed \$30,000.00, and paid from the Gross Settlement Amount.

17 1.9 “Class Data” means Class Member identifying information in Defendant’s possession
18 including the Class Member’s name, last-known mailing address, Social Security number,
19 or, as applicable, other taxpayer identification number, and number of Workweeks and
20 PAGA Pay Periods.

21 1.10 “Class Member” or “Settlement Class Member” means a member of the Class,
22 as either a Participating Class Member or Non-Participating Class Member (including a Non-
23 Participating Class Member who qualifies as an Aggrieved Employee).

24 1.11 “Class Member Address Search” means the Administrator’s investigation and
25 search for current Class Member mailing addresses using all reasonably available sources,
26 methods, and means including, but not limited to, the National Change of Address database,
27 skip traces, and direct contact by the Administrator with Class Members.

28 1.12 “Class Notice” means the Court approved Notice of Settlement and hearing

1 date for Final Approval, to be mailed to Class Members in English with a Spanish translation
2 in the form, without material variation, attached as Exhibit A and incorporated by reference
3 into this Agreement.

4 1.13 “Class Period” or “Class Settlement Period” means the period from January 2,
5 2019 through April 28, 2025.

6 1.14 “Class Representatives” mean the named Plaintiffs Dane Carter and Josue
7 Camargo Luna in the Actions.

8 1.15 “Class Representative Service Payments” or “Enhancement Awards” mean the
9 payment to the Class Representatives, from the Gross Settlement Amount, subject to Court
10 approval, in exchange for their general release and in recognition of Plaintiffs’ efforts for
11 initiating the Actions and providing services in support of the Action.

12 1.16 “Court” means the Superior Court of California, County of Orange.

13 1.17 “Defendant” means named Defendant Quantum Fuel Systems, LLC.

14 1.18 “Defense Counsel” means Nicole Sheth, Steven D. Whang, and Paige
15 Waldberg of Kaufman Borgeest & Ryan LLP.

16 1.19 “Effective Date” means the date by which both of the following have occurred:
17 (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and
18 (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences:
19 (a) if no Participating Class Member objects to the Settlement, the day the Court enters
20 Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day
21 after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal
22 from the Judgment is filed, the day after the appellate court affirms the Judgment and issues
23 a remittitur.

24 1.20 “Final Approval” means the Court’s order granting final approval of the
25 Settlement.

26 1.21 “Final Approval Hearing” means the Court’s hearing on the Motion for Final
27 Approval of the Settlement.

28 1.22 “Final Judgment” means the Judgment entered by the Court upon granting

Final Approval of the Settlement.

1.23 “Gross Settlement Amount” or “GSA” means \$1,250,000.00, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel’s Court-Approved Fees and Costs, Class Representative Service Payment and the Administration Expenses Payment. In no event, other than Defendant’s share of the payroll or taxes, or, what is specifically outlined in Section 8 (Escalator Clause), will Defendant be required to pay more than the Gross Settlement Amount.

1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount, less the employee’s portion of required federal and state withholdings, calculated according to the number of Workweeks worked by the Participating Class Members during the Class Period.

1.25 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.26 “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i) (2016).

1.28 “LWDA PAGA Payment” means the 75% share of the total amount allocated towards PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i) (2016).

1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Enhancement Awards, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.30 “Non-Participating Class Member” means any Class Member who opts out of

the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.31 “Operative Class Complaint” means the operative class action complaint filed in the Class Action.

1.32 “Operative PAGA Complaint” means the operative PAGA complaint filed in the PAGA Action.

1.33 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.34 “PAGA Period” means the period from October 1, 2022 through April 28, 2025.

1.35 “PAGA” means the Labor Code Private Attorneys General Act of 2004 (Labor Code §§ 2698, *et seq.*).

1.36 “PAGA Notice” means Plaintiffs’ December 5, 2023 letter (LWDA-CM-997937-23) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a) (2016).

1.37 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$75,000.00), allocated 25% to the Aggrieved Employees (\$18,750.00) and 75% to LWDA (\$56,250.00) in settlement of PAGA claims, subject to Court approval.

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

1.39 “Plaintiffs” mean Dane Carter and Josue Camargo Luna, the named plaintiffs in the Actions.

1.40 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

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

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

1 1.43 “Released Parties” means Defendant and each of Defendant’s former, present,
2 and future parents, affiliated or related entities, fictitious business names, franchisors,
3 boards, officers, directors, shareholders, owners, members, trustees, heirs, administrators,
4 attorneys, insurers, predecessors, successors, assigns, subsidiaries, representatives,
5 employees, agents, payroll processors, independent contractors, managers, and affiliates.

6 1.44 “Request for Exclusion” means a Class Member’s submission of a written
7 request to be excluded from the Class Settlement signed by the Class Member.

8 1.45 “Response Deadline” means forty-five (45) days after the Administrator mails
9 Notice to Class Members and Aggrieved Employees and shall be the last date on which Class
10 Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax,
11 email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets
12 are resent after having been returned undeliverable to the Administrator shall have an
13 additional fourteen (14) calendar days beyond the Response Deadline has expired.

14 1.46 “Settlement” means the disposition of the Actions effected by this Agreement
15 and the Judgment.

16 2. “Workweek” means any week during which a Class Member worked for Defendant for
17 at least one day, during the Class Period. **RECITALS.**

18 2.1 On June 29, 2023, Plaintiffs filed the Class Action alleging Defendant (1)
19 failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed
20 to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely
21 pay final wages at termination; (6) failed to provide accurate itemized wage statements; (7)
22 failed to indemnify employees for expenditures; (8) failed to produce requested employment
23 records; and (9) violated California’s Unfair Competition Law, California Business and
24 Professions Code section 17200, *et seq.*

25 2.2 Defendant denies the allegations in the Actions, denies any failure to comply
26 with the laws identified in the Actions, and denies any and all liability for the causes of action
27 alleged in the Actions.

28 2.3 On February 27, 2025, the Parties participated in an all-day mediation presided

over by mediator Steven Serratore, which led to this Agreement to settle these Actions.

2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Actions. Prior to mediation, Plaintiffs obtained and analyzed a representative sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5 The Court has not granted class certification because the Parties engaged in mediation before any class certification.

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

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant will pay \$1,250,000.00 to fully settle, resolve, and extinguish all claims asserted in the Actions, including without limitation all claims asserted in the PAGA Notice. The Gross Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant will pay separately. In no event, other than Defendant's share of the payroll or taxes, or, what is specifically outlined in Section 8 (Escalator Clause), will Defendant be required to pay more than the Gross Settlement Amount.

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

3.2.1 To Plaintiffs: A payment for the Enhancement Awards to Plaintiffs of not more than \$10,000.00, each, in addition to any Individual Class Payment and any Individual PAGA

1 Payment the Class Representatives are entitled to receive as Participating Class Members.
2 Defendant will not oppose Plaintiffs' request for Enhancement Awards that do not exceed
3 this amount. As part of the motion for the Class Counsel Fees and Litigation Expenses
4 Payments, Plaintiffs will seek Court approval for any Enhancement Award no later than 16
5 (sixteen) court days prior to the Final Approval Hearing, or as otherwise ordered by the
6 Court. If the Court approves an Enhancement Award less than the amount requested, the
7 Administrator will retain the remainder in the Net Settlement Amount to be distributed to
8 Participating Class Members. The Administrator will pay the Enhancement Award using IRS
9 Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the
10 Enhancement Awards.

11 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third
12 (1/3) of the GSA, which is currently estimated to be \$416,666.67 and a Class Counsel
13 Litigation Expenses Payment for actual costs. Defendant will not oppose requests for these
14 payments. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and
15 Litigation Expenses Payment no later than 16 (sixteen) court days prior to the Final Approval
16 Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees
17 Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts
18 requested, the Administrator will allocate the remainder to the Net Settlement Amount for
19 distribution to Participating Class Members. Released Parties shall have no liability to Class
20 Counsel or any other Plaintiffs' counsel arising from any claim to any portion of Class
21 Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator
22 will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or
23 more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed
24 on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and
25 holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy
26 regarding any division or sharing of any of these Payments.

27 3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to
28 exceed \$6,990.00 except for a showing of good cause and as approved by the Court. To the

1 extent the Administration Costs are less or the Court approves payment of less than
2 requested, the Administrator will retain the remainder in the Net Settlement Amount to be
3 distributed to Participating Class Members.

4 3.2.4 To Each Participating Class Member: The Settlement Administrator will
5 calculate the total number of Work Weeks for all Participating Class Members who worked
6 during the Class Period. An Individual Class Payment is calculated by (a) dividing the Net
7 Settlement Amount by the total number of Workweeks worked by all Participating Class
8 Members during the Class Period, and (b) multiplying the result by each individual
9 Participating Class Member's Workweeks. The Settlement Administrator will determine the
10 total number of Work Weeks worked during the Class Period for each Participating Class
11 Member.

12 3.2.4.1 Tax Allocation of Individual Class Payments. Ten percent (10%) of
13 each Participating Class Member's Individual Class Payment will be allocated to the
14 Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax
15 withholdings customarily made from an employee's wages and all other authorized and
16 required withholdings and will be reported on an IRS W-2 Form. The remaining 90% of each
17 Participating Class Member's Individual Class Payment will be allocated to the settlement
18 of claims for statutory damages, reimbursements, interest and penalties (the "Non-Wage
19 Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported
20 on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for
21 any employee taxes owed on their Individual Class Payment. Defendant shall not make as
22 part of this Settlement, nor be required to make, any deductions, nor pay any monthly
23 contributions for any insurance, retirement, 401(k) or profit-sharing plans, or any benefit
24 plans related to monies paid as a result of this Settlement.

25 3.2.4.2 Effect of Non-Participating Class Members on Calculation of
26 Individual Class Payments. Non-Participating Class Members will not receive any Individual
27 Class Payments. The Administrator will retain amounts equal to their Individual Class
28 Payments in the Net Settlement Amount for distribution to Participating Class Members on

1 a pro-rata basis.

2 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
3 \$75,000.00 to be paid from the Gross Settlement Amount, with 75% (\$56,250.00) allocated
4 to the LWDA PAGA Payment and 25% (\$18,750.00) allocated to the Individual PAGA
5 Payments.

6 3.2.5.1 The Administrator will calculate each Individual PAGA Payment for
7 all Aggrieved Employees worked during the PAGA Period by (a) dividing the amount of the
8 Aggrieved Employees' 25% share of PAGA Penalties (\$18,750.00) by the total number of
9 PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period,
10 and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods.
11 The Settlement Administrator will determine the total number of Pay Periods worked during
12 the PAGA Period for each Aggrieved Employee. Aggrieved Employees assume full
13 responsibility and liability for any taxes owed on their Individual PAGA Payment.

14 3.2.5.2 If the Court approves PAGA Penalties of less than the amount
15 requested, the Administrator will allocate the remainder to the Net Settlement Amount to be
16 distributed to Participating Class Members. The Administrator will report the Individual
17 PAGA Payments on IRS 1099 Forms.

18 4. **SETTLEMENT FUNDING AND PAYMENTS.**

19 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its
20 records, Defendant represents there are 230 Class Members who collectively worked a total
21 of 27,000 workweeks during the Class Period.

22 4.2 Class Data. Not later than seven (7) days after the Court grants Preliminary Approval
23 of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of
24 a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator
25 must maintain the Class Data in confidence, use the Class Data only for purposes of this
26 Settlement and for no other purpose, and restrict access to the Class Data to Administrator
27 employees who need access to the Class Data to effect and perform under this Agreement.
28 The Class Data shall not be disclosed to Plaintiff, Class Counsel or any other person without

1 prior approval from Defendant's counsel or as ordered by a Court, except that the
2 Administrator shall provide to all counsel without need for any prior approval from
3 Defendant's counsel a spreadsheet with a summary including allocation of funds, number of
4 class members, number of workweeks, number of PAGA aggrieved employees and pay
5 periods, whether the escalator clause is triggered, and a class list with employees identified
6 only by number including each employee's compensable workweeks, estimated individual
7 settlement payment, payment ratio, PAGA pay periods, and estimated individual PAGA
8 settlement. Defendant has a continuing duty to immediately notify Class Counsel if it
9 discovers that the Class Data omitted class member identifying information and to provide
10 corrected or updated Class Data as soon as reasonably feasible. Without any extension of the
11 deadline by which Defendant must send the Class Data to the Administrator, the Parties and
12 their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise
13 resolve any issues related to missing or omitted Class Data.

14 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross
15 Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes
16 by transmitting the funds to the Administrator no later than 30 (thirty) calendar days after
17 the Effective Date.

18 4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant
19 fully funds the GSA, the Administrator will mail checks for all Individual Class Payments,
20 all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs
21 Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment,
22 and the Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class
23 Counsel Litigation Expenses Payment, and the Enhancement Award shall not precede
24 disbursement of Individual Class Payments and Individual PAGA Payments.

25 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or
26 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail.
27 The face of each check shall prominently state the date (180 days after the date of mailing)
28 when the check will be voided ("Void Date"). The Administrator will cancel all checks not

1 cashed by the Void Date. The Administrator will send checks for Individual Settlement
2 Payments to all Participating Class Members (including those for whom the Class Notice
3 was returned undelivered). The Administrator will send checks for Individual PAGA
4 Payments to all Aggrieved Employees including Non-Participating Class Members who
5 qualify as Aggrieved Employees (including those for whom Class Notice was returned
6 undelivered). The Administrator may send Participating Class Members a single check
7 combining the Individual Class Payment and the Individual PAGA Payment. Before mailing
8 any checks, the Settlement Administrator must update the recipients' mailing addresses using
9 the National Change of Address Database.

10 4.4.2 The Administrator must conduct a Class Member Address Search for all other
11 Class Members whose checks are returned undelivered without USPS forwarding address.
12 Within seven (7) days of receiving a returned check, the Administrator must re-mail checks
13 to the USPS forwarding address provided or to an address ascertained through the Class
14 Member Address Search. The Administrator need not take further steps to deliver checks to
15 Class Members whose re-mailed checks are returned as undelivered. The Administrator shall
16 promptly send a replacement check to any Class Member whose original check was lost or
17 misplaced, requested by the Class Member prior to the void date.

18 4.4.3 For any Class Member whose Individual Class Payment check or Individual
19 PAGA Payment check is uncashed and canceled after the void date, the Administrator shall
20 transmit the funds represented by such checks to the California Controller's Unclaimed
21 Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject
22 to the requirements of California Code of Civil Procedure Section 384, subd. (b).

23 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments
24 shall not obligate Defendant to confer any additional benefits or make any additional
25 payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified
26 in this Agreement.

27 5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the
28 Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the

Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs forever discharge Released Parties, as defined in Section 1.43, from all claims, transactions, debts, liabilities, demands, actions, causes of action, or occurrences, of every nature and description that accrued during the Class Period, under state law and the Wage Orders of the California Industrial Welfare Commission, that were alleged or which could have been alleged based on the factual allegations in the Actions, including, but not limited to (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Class Complaint; (b) all claims that were, or reasonably could have been alleged based on facts contained in the Operative PAGA Complaint, Plaintiffs' PAGA Notice, or ascertained during the Actions and released under 5.2 below; and (c) all claims arising under California Labor Code Sections 201-204, 206, 218.6, 226, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1198, 2800, 2802, and/or those arising under the Industrial Welfare Commission, including IWC Wage Orders 5-2001. California Business and Professions Code section 17200 et seq., California Code of Regulations, title 8, Section 11160, California Civil Code sections 3287, 3289, and 3294, and California Code of Civil Procedure section 1021.5, Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them. The above release language shall also be included in the Class Notice.

5.2 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For

1 purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the
2 provisions, rights, and benefits, if any, of section 1542 of the California Civil Code,
3 which reads:

4 **A general release does not extend to claims that the creditor or releasing**
5 **party does not know or suspect to exist in his or her favor at the time of**
6 **executing the release, and that if known by him or her would have**
7 **materially affected his or her settlement with the debtor or Released Party.**

8 Thus, subject to and in accordance with this Agreement, even if Plaintiffs may
9 hereafter discover facts in addition to or different from those they now know or believe to be
10 true, Plaintiffs, upon the Effective Date, shall be deemed to have fully, finally, and forever
11 settled and released any and all claims against the Released Parties that were alleged or could
12 have been alleged in the Actions, as well as any other claims, whether known or unknown,
13 suspected or unsuspected, contingent or non-contingent, that now exist, upon any theory of
14 law or equity, including without limitation, conduct which is negligent, intentional, with or
15 without malice, or a breach of any duty, law, or rule, without regard to the subsequent
16 discovery or existence of such different or additional facts. Plaintiffs' Civil Code section
17 1542 Release does not extend to any claims or actions to enforce this Agreement, or to any
18 claims for vested benefits, unemployment benefits, disability benefits, social security
19 benefits, workers' compensation benefits that arose at any time, or based on occurrences
20 outside the Class Period.

21 5.3 Release by Participating Class Members Who Are Not Aggrieved Employees: All
22 Participating Class Members, on behalf of themselves and their respective former and present
23 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release
24 Released Parties from: (i) all claims transactions, debts, liabilities, demands, actions, causes
25 of action or occurrences of every nature and description that accrued during the Class Period,
26 under state law and the Wage Orders of the California Industrial Welfare Commission, that
27 were alleged or which could have been alleged based on the factual allegations in the First
28 Amended Complaint in the Action, including, but not limited to: that were alleged, or

1 reasonably could have been alleged, based on the facts stated in the Operative Class
2 Complaint and ascertained in the course of the Action including, failure to pay wages, failure
3 to authorize and permit rest periods, failure to indemnify for business expenses, failure to
4 issue proper wage statements, failure to timely pay wages, failure to maintain required
5 payroll records, failure to provide meal periods, and related allegations for the Class Period
6 and (b) all claims arising under California Labor Code Sections 201-204, 206, 218.6, 226,
7 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1198, 2800, 2802, and/or those arising under
8 the Industrial Welfare Commission Wage Orders, California Business and Professions Code
9 section 17200 et seq., California Code of Regulations, title 8, Section 11160, California Civil
10 Code sections 3287, 3289, and 3294, and California Code of Civil Procedure section 1021.5.
11 Except as set forth in Section 5.4 of this Agreement, Participating Class Members do not
12 release any other claims, including claims for vested benefits, wrongful termination,
13 violation of the Fair Employment and Housing Act, unemployment insurance, disability,
14 social security, workers' compensation, or claims based on facts occurring outside the Class
15 Period. (collectively the "Released Class Claims"). The above release language shall also be
16 included in the Class Notice.

17 5.4 Release by Non-Participating Class Members Who Are Aggrieved Employees: All
18 Non-Participating Class Members who are Aggrieved Employees are deemed to release, on
19 behalf of themselves and their respective former and present representatives, agents,
20 attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and
21 all claims, debts, liabilities, demands, actions, or causes of action of every nature and
22 description that accrued during the PAGA Period, under state law and the California Labor
23 Code, that were alleged or which could have been alleged based on the exhausted claims and
24 factual allegations in Plaintiff's notices sent to the LWDA and alleged in the operative
25 complaint, regardless of whether the Aggrieved Employees opt-out of the Settlement
26 Agreement, including claims for civil penalties based on unpaid wages, including but not
27 limited to failure to pay minimum wages, straight time compensation, overtime
28 compensation, double time compensation and interest; failure to timely pay regular and final

1 wages; failure to reimburse business expenses; missed meal period and rest period wages and
2 premiums; meal period waivers and on-duty meal period waivers; payment for all hours
3 worked; wage statements and paystubs, including wage statements and paystubs furnished
4 or available in physical, electronic, or other forms; failure to keep accurate records; penalties,
5 including recordkeeping penalties, wage statement penalties, minimum-wage penalties, and
6 waiting-time penalties; statutory penalties and civil penalties; and attorneys' fees and costs.
7 Without limiting the foregoing, the PAGA Released Claims include claims for civil penalties
8 arising under California Labor Code Sections 201, 202, 203, 204, 206, 210, 226, 226.3,
9 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2698 et seq., 2800,
10 and 2802, and/or those arising under the Industrial Welfare Commission Wage Orders;
11 PAGA; and/or those arising under the Industrial Welfare Commission Wage Orders;
12 California Code of Regulations, title 8, Section 11160; and California Code of Civil
13 Procedure section 1021.5s (collectively the "Released PAGA Claims"). The above release
14 language shall also be included in the Class Notice.

15 6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a
16 motion for preliminary approval ("Motion for Preliminary Approval").

17 6.1 **Plaintiffs' Responsibilities**. Plaintiffs will prepare all documents necessary for
18 obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in
19 support, of the Motion for Preliminary Approval that includes an analysis of the Settlement
20 under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code
21 Section 2699, subd. (f)(2) (2016)); (ii) a draft proposed Order Granting Preliminary Approval
22 and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed
23 declaration from Plaintiffs confirming willingness and competency to serve and disclosing
24 all facts relevant to any actual or potential conflicts of interest with Class Members, and/or
25 the Administrator; (v) a signed declaration from Class Counsel firm attesting to its
26 competency to represent the Class Members; its timely transmission to the LWDA of this
27 Agreement (Labor Code section 2699, subd. (l)(2) (2016)); and (vi) all facts relevant to any
28 actual or potential conflict of interest with Class Members, and/or the Administrator. In their

1 Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other
2 pending matter or action asserting claims that will be extinguished or adversely affected by
3 the Settlement.

4 6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly
5 responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel
6 will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion
7 for Preliminary Approval no later than 16 (sixteen) court days before the hearing, unless
8 otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order to the
9 Administrator.

10 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
11 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
12 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in
13 person or by telephone, and in good faith, to resolve the disagreement. If the Court does not
14 grant Preliminary Approval or conditions Preliminary Approval on any material change to
15 this Agreement, Class Counsel and Defense Counsel will expeditiously work together on
16 behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the
17 Agreement and otherwise satisfy the Court's concerns.

18 7. **SETTLEMENT ADMINISTRATION.**

19 7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action to
20 serve as the Administrator and verified that, as a condition of appointment, the Administrator
21 agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in
22 this Agreement in exchange for payment of Administration Costs. The Parties and their
23 Counsel represent that they have no interest or relationship, financial or otherwise, with the
24 Administrator other than a professional relationship arising out of prior experiences
25 administering settlements.

26 7.2 Employer Identification Number. The Administrator shall have and use its own
27 Employer Identification Number for purposes of calculating payroll tax withholdings and
28 providing reports to state and federal tax authorities.

1 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
2 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury
3 Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA
4 sums paid into the QSF prior to distribution by the Administrator will become part of the
5 NSA for distribution to Participating Class Members.

6 7.4 Notice to Class Members.

7 7.4.1 No later than five (5) calendar days after receipt of the Class Data, the
8 Administrator shall notify Class Counsel that the list has been received and state the number
9 of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

10 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14
11 days after receiving the Class Data, the Administrator will send to all Class Members
12 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the
13 Class Notice with Spanish translation substantially in the form attached to this Agreement as
14 Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts
15 of any Individual Class Payment and/or Individual PAGA Payment payable to the Class
16 Member, and the number of Workweeks and PAGA Pay Periods used to calculate these
17 amounts. Before mailing Class Notices, the Administrator shall update Class Member
18 addresses using the National Change of Address database.

19 7.4.3 Not later than five (5) calendar days after the Administrator’s receipt of any
20 Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class
21 Notice using any forwarding address provided by the USPS. If the USPS does not provide a
22 forwarding address, the Administrator shall conduct a Class Member Address Search, and
23 re-mail the Class Notice to the most current address obtained. The Administrator has no
24 obligation to make further attempts to locate or send Class Notice to Class Members whose
25 Class Notice is returned by the USPS a second time.

26 7.4.4 The deadlines for Class Members’ written objections, challenges to
27 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional
28 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members

1 whose notice is re-mailed. The Administrator will inform the Class Member of the extended
2 deadline with the re-mailed Class Notice.

3 7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise
4 discovers any persons who believe they should have been included in the Class Data and
5 should have received Class Notice, the Parties will expeditiously meet and confer in person
6 or by telephone, and in good faith in an effort to agree on whether to include them as Class
7 Members. If the Parties agree, such persons will be Class Members entitled to the same rights
8 as other Class Members, and the Administrator will send, via email or overnight delivery, a
9 Class Notice requiring them to exercise options under this Agreement not later than 14 days
10 after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

11 7.5 Requests for Exclusion (Opt-Outs).

12 7.5.1 8.5.1 Plaintiffs may not request exclusion from the Class. Class Members
13 who wish to exclude themselves (opt-out of) the Class Settlement must send the
14 Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than
15 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class
16 Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class
17 Member or his/her representative that reasonably communicates the Class Member's election
18 to be excluded from the Settlement and includes the Class Member's name, address and email
19 address or telephone number. To be valid, a Request for Exclusion must be timely faxed,
20 emailed, or postmarked by the Response Deadline. The date of the initial mailing of the
21 Notice Packet, and the date the signed request for exclusion was postmarked, shall be
22 conclusively determined according to the records of the Settlement Administrator. The
23 Settlement Administrator shall immediately provide copies of all Requests for Exclusion to
24 Class Counsel and Defense Counsel and shall report the number of Requests for Exclusion
25 that it receives, to the Court, in its declaration to be provided in advance of the Final Approval
26 Hearing.

27 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because
28 it fails to contain all the information specified in the Class Notice. The Administrator shall

1 accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the
2 identity of the person as a Class Member and the Class Member's desire to be excluded. The
3 Administrator's determination shall be final and not appealable or otherwise susceptible to
4 challenge. If the Administrator has reason to question the authenticity of a Request for
5 Exclusion, the Administrator may demand additional proof of the Class Member's identity.
6 The Administrator's determination of authenticity shall be final and not appealable or
7 otherwise susceptible to challenge.

8 7.5.3 Every Class Member who does not submit a timely and valid Request for
9 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to
10 all benefits and bound by all terms and conditions of the Settlement, including the
11 Participating Class Members' Releases under paragraphs 5.2 and 5.3 of this Agreement,
12 regardless of whether the Participating Class Member actually receives the Class Notice or
13 objects to the Settlement. A Class Member cannot submit both a Request for Exclusion and
14 an Objection. If a Class Member subjects both an Objection and Request for Exclusion, the
15 Request for Exclusion will control and the Objection will be void.

16 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is
17 a Non-Participating Class Member and shall not receive an Individual Class Payment or have
18 the right to object to the class action components of the Settlement. Because future PAGA
19 claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class
20 Members who are Aggrieved Employees are deemed to release the Released PAGA Claims
21 identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA
22 Payment.

23 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 (forty-
24 five) days after the Administrator mails the Class Notice (plus an additional 14 (fourteen)
25 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class
26 Workweeks and PAGA Pay Periods allocated to the Class Member in the Class Notice. The
27 Class Member may challenge the allocation by communicating with the Administrator via
28 fax, email or mail. All written disputes must contain the Class Member's address, telephone

number, and a reference to the Action. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

7.7.1 The Plaintiff may not object to the Settlement. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Enhancement Award.

7.7.2 Participating Class Members may send written objections, signed by the Objecting Class Member or his or her attorney, along with supporting papers, to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed). The date of the initial mailing of the Notice Packet, and the date the signed objection was postmarked, shall be conclusively determined according to the records of the Settlement Administrator. The Settlement Administrator shall send any objections it receives to Defense Counsel and Class Counsel within five (5) business days of receipt. The Court retains final authority with respect to consideration and admissibility of any Class Member objections. If a Class Member objects to the Settlement, the Class Member will remain a member of the

1 Class and if the Court approves this Agreement, the Class Member will be bound by the
2 terms of the Settlement in the same way and to the same extent as a Class Member who does
3 not object.

4 7.7.3 Non-Participating Class Members have no right to object to any of the class
5 action components of the Settlement.

6 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to
7 be performed or observed by the Administrator contained in this Agreement or otherwise.

8 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will
9 establish, maintain and use an internet website to post information of interest to Class
10 Members including the date, time and location for the Final Approval Hearing and copies of
11 the Settlement Agreement; Motion for Preliminary Approval; Preliminary Approval Order;
12 Class Notice; Motion for Final Approval; Motion for Class Counsel Fees Payment, Class
13 Counsel Litigation Expenses Payment and Enhancement Award; the Final Approval Order;
14 and the Judgment. The Administrator will also maintain and monitor an email address and a
15 toll-free telephone number to receive Class Member calls, faxes and emails.

16 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
17 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not
18 later than five (5) days after the expiration of the deadline for submitting Requests for
19 Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel
20 containing (a) the names and other identifying information of Class Members who have
21 timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other
22 identifying information of Class Members who have submitted invalid Requests for
23 Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid
24 or invalid).

25 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written
26 reports to Class Counsel and Defense Counsel that, among other things, tally the number of:
27 Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for
28 Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks

and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

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

7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **ESCALATOR CLAUSE**. Based on its records, Defendant represents there are 230

1 Class Members who collectively worked a total of 27,000 Workweeks during the Class
2 Period. Should the Workweeks increase more than 10% (i.e. more than 29,700 workweeks),
3 the GSA will increase on a proportional basis equal to the percentage increase in the number
4 of Workweeks worked by the Class Members above the 10% (for example, if the final number
5 of total workweeks increases by 15%, the GSA will increase 5%). If this provision is
6 triggered so as to increase the Gross Settlement Amount, the Parties agree that the portion of
7 the Gross Settlement Amount allocated to attorneys' fees will increase proportionally such
8 that the total amount of attorneys' fees remains one-third of the Gross Settlement Amount
9 after the upward adjustment required by this provision is implemented.

10 9. **MOTION FOR FINAL APPROVAL.** Not later than 16 (sixteen) court days before
11 the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs
12 will file in Court, a Motion for Final Approval of the Settlement that includes a request for
13 approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final
14 Approval Order; and a proposed Judgment (collectively "Motion for Final Approval").
15 Plaintiffs shall provide drafts of these documents to Defense Counsel prior to filing the
16 Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and
17 confer in person or by telephone, and in good faith, to resolve any disagreements concerning
18 the Motion for Final Approval.

19 9.1 **Response to Objections.** Each Party retains the right to respond to any objection raised
20 by a Participating Class Member, including the right to file responsive documents in Court
21 no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered
22 or accepted by the Court.

23 9.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
24 Approval on any material change to the Settlement (including, but not limited to, the scope
25 of release to be granted by Class Members), the Parties will expeditiously work together in
26 good faith to address the Court's concerns by revising the Agreement as necessary to obtain
27 Final Approval. The Court's decision to award less than the amounts requested for the
28 Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses

1 Payment, and/or Administrator Costs Payment shall not constitute a material modification to
2 the Agreement within the meaning of this paragraph.

3 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment,
4 the Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for
5 purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
6 administration matters, and (iii) addressing such post-Judgment matters as are permitted by
7 law.

8 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
9 conditions of this Agreement, specifically including the Class Counsel Fees Payment and
10 Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their
11 respective counsel, and all Participating Class Members who did not object to the Settlement
12 as provided in this Agreement, waive all rights to appeal from the Judgment, including all
13 rights to post-judgment and appellate proceedings, the right to file motions to vacate
14 judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does
15 not include any waiver of the right to oppose such motions, writs or appeals. If an objector
16 appeals the Judgment, the Parties' obligations to perform under this Agreement will be
17 suspended until such time as the appeal is finally resolved and the Judgment becomes final,
18 except as to matters that do not affect the amount of the Net Settlement Amount.

19 9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
20 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
21 material modification of this Agreement (including, but not limited to, the scope of release
22 to be granted by Class Members), the Plaintiffs and Defendant shall each have the right, but
23 not the obligation, to void the Settlement, which either Party must do by giving written notice
24 to the other Party, the final reviewing court, and the Court no later than thirty (30) court days
25 after the final reviewing court's decision vacating, reversing, or materially modifying the
26 Final Order becomes final and non-appealable. The Parties shall nevertheless expeditiously
27 work together in good faith to address the appellate court's concerns and to obtain Final
28 Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration

Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Enhancement Award or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

11. **ADDITIONAL PROVISIONS.**

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

11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person,

1 corporation, association, government agency, or other entity except: (1) to the Parties'
2 attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement
3 confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to
4 appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response
5 to an inquiry or subpoena issued by a state or federal government agency. The Parties and
6 their counsel agree that they will not publicize the Settlement, or issue any press releases,
7 initiate any contact with the media, respond to any media inquiry, or have any communication
8 with the press about the fact, amount or terms of the Settlement. In addition, the Parties and
9 their counsel agree that they will not engage in any advertising or distribute any marketing
10 materials relating to the Settlement of this case, including but not limited to any postings on
11 any websites, social media, and/or any professional organization, unless ordered by the Court
12 in any manner from which Defendant's identity can reasonably be ascertained.
13 Notwithstanding, the Parties shall undertake any and all disclosures which are required by
14 law including providing notice of the PAGA settlement to the LWDA pursuant to statute.
15 Each Party agrees to immediately notify the other Party of any judicial or agency order,
16 inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and
17 Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or
18 other communication, before the filing of the Motion for Preliminary Approval, with any
19 third party regarding this Agreement or the matters giving rise to this Agreement except to
20 respond only that "the matter was resolved," or words to that effect. This paragraph does not
21 restrict Class Counsel's communications with Class Members in accordance with Class
22 Counsel's ethical obligations owed to Class Members.

23 11.3 No Solicitation. The Parties separately agree that they and their respective
24 counsel and employees will not solicit any Class Member to opt out of or object to the
25 Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to
26 restrict Class Counsel's ability to communicate with Class Members in accordance with
27 Defense Counsel's and Class Counsel's ethical obligations and Class Counsel's fiduciary
28 duties owed to Class Members.

1 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this
2 Agreement together with its attached exhibits shall constitute the entire agreement between
3 the Parties relating to the Settlement, superseding any and all oral representations,
4 warranties, covenants, or inducements made to or by any Party.

5 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately
6 warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to
7 take all appropriate action required or permitted to be taken by such Parties pursuant to this
8 Agreement to effectuate its terms, and to execute any other documents reasonably required
9 to effectuate the terms of this Agreement including any amendments to this Agreement,
10 except for signing the documents, including but not limited to this Settlement, that are
11 required to be signed by the Parties.

12 11.6 Cooperation. The Parties and their counsel will cooperate with each other and
13 use their best efforts, in good faith, to implement the Settlement by, among other things,
14 modifying the Settlement Agreement, submitting supplemental evidence and supplementing
15 points and authorities as requested by the Court. In the event the Parties are unable to agree
16 upon the form or content of any document necessary to implement the Settlement, or on any
17 modification of the Agreement that may become necessary to implement the Settlement, the
18 Parties will seek the assistance of a mediator and/or the Court for resolution.

19 11.7 No Prior Assignments. The Parties separately represent and warrant that they
20 have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
21 transfer, or encumber to any person or entity and portion of any liability, claim, demand,
22 action, cause of action, or right released and discharged by the Party in this Settlement. None
23 of the rights, commitments, or obligations recognized under this Settlement may be assigned
24 by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
25 consent of each other Party and their respective counsel. The representations, warranties,
26 covenants, and agreements contained in this Settlement are for the sole benefit of the Parties
27 under this Settlement, and shall not be construed to confer any right or to avail any remedy
28 to any other person.

1 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense
2 Counsel are providing any advice regarding taxes or taxability, nor shall anything in this
3 Settlement be relied upon as such within the meaning of United States Treasury Department
4 Circular 230 (31 CFR Part 10, as amended) or otherwise.

5 11.9 Modification of Agreement. This Agreement, and all parts of it, may be
6 amended, modified, changed, or waived only by an express written instrument signed by all
7 Parties or their representatives, and approved by the Court.

8 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and
9 inure to the benefit of, the successors of each of the Parties.

10 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits
11 will be governed by and interpreted according to the internal laws of the state of California,
12 without regard to conflict of law principles.

13 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and
14 preparation of this Agreement. This Agreement will not be construed against any Party on
15 the basis that the Party was the drafter or participated in the drafting.

16 11.13 Confidentiality. To the extent permitted by law, all agreements made, and
17 orders entered during Action and in this Agreement relating to the confidentiality of
18 information shall survive the execution of this Agreement.

19 11.14 Headings. The descriptive heading of any section or paragraph of this
20 Agreement is inserted for convenience of reference only and does not constitute a part of this
21 Agreement.

22 11.15 Calendar Days. Unless otherwise noted, all reference to “days” in this
23 Agreement shall be to calendar days. In the event any date or deadline set forth in this
24 Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the
25 first business day thereafter.

26 11.16 Notice. All notices, demands, or other communications between the Parties in
27 connection with this Agreement will be in writing and deemed to have been duly given as of
28 the third business day after mailing by United States mail, or the day sent by email or

messenger, addressed as follows:

To Plaintiff:

John G. Yslas
john.yslas@wilshirelawfirm.com
Jeffrey C. Bils
jeffrey.bils@wilshirelawfirm.com
Aram Boyadjian
aram.boyadjian@wilshirelawfirm.com
Andrew Sandoval
andrew.sandoval@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 513-5205
Facsimile: (213) 381-9989

To Defendant:

Nicole Sheth (SBN 253515)
Steven D. Whang (SBN 299009)
Paige Waldberg (SBN 347512)
KAUFMAN BORGEEST & RYAN LLP
21700 Oxnard Street, Suite 1450
Woodland Hills, CA 91367
Telephone: (818) 880-0992
Facsimile: (818) 880-0993

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

11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

11.19 Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent

possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or application and, to this end, the provisions of this Agreement are declared to be severable. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by the applicable party.

11.20 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Orange County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: _____
Plaintiff Dane Carter

DATED: _____
Plaintiff Josue Camargo Luna

DATED: _____
Defendant Quantum Fuel Systems LLC

1 By: _____

2 Position: _____

3
4 Approved by counsel:

5
6 DATED: WILSHIRE LAW FIRM

7
8 BY: _____
9 John G. Yslas
10 Counsel for Plaintiffs Dane Carter and Josue
Camargo Luna

11 DATED: KAUFMAN BORGEEST & RYAN LLP

12
13 BY: _____
14 Nicole Sheth
15 Counsel for Defendant Quantum Fuel
16 Systems, LLC
17
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21
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25
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27
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EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

Carter, et al. v. Quantum Fuel Systems LLC,
Orange County Superior Court, Case Nos. 30-2023-01334066-CU-OE-CXC (lead), 30-2024-
01378128-CU-OE-CXC

***The Orange County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money as you have been identified as a Class Member (defined below) in a Lawsuit (defined below) brought by two former employees, Dane Carter and Josue Camargo Luna, of Quantum Fuel Systems LLC (“Defendant.”) Defendant denies all allegations in the Lawsuit and contends it fully complies with California law. However, to avoid the continuing expense of litigation, the Parties have reached a settlement of highly disputed claims (the “Settlement”).

The Class Action Settlement will affect all of Defendant’s non-exempt hourly-paid employees (“Class Members”) who worked for Defendant during the Class Period (January 2, 2019 through April 28, 2025) (the “Class Period”). The PAGA Settlement will affect all of Defendant’s non-exempt hourly employees who worked for Defendant from October 1, 2022 through April 28, 2025) (the “PAGA Period”).

The Court has preliminarily approved the Settlement, finding it to be fair, reasonable, adequate, and in the best interests of the Class Members. The proposed Settlement has two main parts: (1) a Class settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA settlement requiring Defendant to fund individual payments under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), and pay PAGA Penalties to the California Labor and Workforce Development Agency (“LWDA”).

If the Court grants final approval of the Settlement, you will receive a settlement payment.

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ _____ (less withholding) and your Individual PAGA Payment is estimated to be \$ _____.** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked _____ Workweeks during the Class Period and you worked _____ Pay Periods during the PAGA Period.** If you believe that you worked more during either period, you can submit a challenge by the deadline date.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or not act. READ THIS NOTICE CAREFULLY. You will be deemed to have read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
PARTICIPATE IN THE SETTLEMENT – NO ACTION REQUIRED	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you become part of the Settlement Class (defined below), will receive a settlement payment, and will give up certain rights to sue Defendant separately about the legal claims raised in this Lawsuit.
ASK TO BE EXCLUDED – ACTION REQUIRED	Opt out of the Settlement. Receive no payment from the settlement for the Class claims, but receive an individual settlement share for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”). Keep rights to individually pursue only the Class claims. If you opt out of the Settlement, you won’t receive any share of the Class settlement, but you will retain the right to pursue your own legal claims against Defendant. However, even if you opt out, and if you worked from October 1, 2022, through April 28, 2025 as a non-exempt hourly employee of Defendant, you will still receive a portion of the PAGA settlement and will be deemed to have released the PAGA claims.
OBJECT TO THE SETTLEMENT – ACTION REQUIRED	Stay in this Lawsuit. May give up certain rights. You may write to the Settlement Administrator about why you object to the Settlement, and they will forward your concerns to the Court. If you object to the Settlement, you will remain a member of the Class (defined below), and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. If you timely object, you or your attorney may also address the Court during the Final Approval Hearing scheduled for [DATE AND TIME] in Department CX-104 of the Orange County Superior Court (Civil Complex Center) located at 751 West Santa Ana Blvd., Santa Ana, California 92701.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant’s records indicate that you worked for Defendant Quantum Fuel Systems LLC at some point(s) between January 2, 2019 to April 28, 2025, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members’ claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys’ General Act (“PAGA”). If you are a Class Member, you are also an “Aggrieved Employee” if you worked for Defendant during the “PAGA Period,” which is October 1, 2022 to April 28, 2025.

If the Court grants Final Approval to the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator’s contact

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the Orange County Superior Court. The case is titled *Carter, et al. v. Quantum Fuel Systems LLC*, Case Nos. 30-2023-01334066-CU-OE-CXC (lead), 30-2024-01378128-CU-OE-CXC. The persons who sued, Dane Carter and Josue Camargo Luna, are the Plaintiffs, and the company sued, Quantum Fuel Systems LLC, is the Defendant.

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiffs in the lawsuits allege wage and hour violations against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods and pay meal period premiums; (4) failure authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; (9) violation of California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq.* In addition, Plaintiffs are seeking to recover civil penalties pursuant to PAGA ("PAGA Penalties") based on the alleged violations of the California Labor Code listed above. Defendant denies Plaintiffs' claims and denies any wrongdoing and contends that Defendant fully complied with the applicable laws. The Court has made no ruling on the merits of Plaintiff's claims. The Court has only preliminarily approved this Settlement. The Court will decide whether to give final approval to the Settlement at the Final Approval Hearing.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called "Class Representatives" (in this case, the Plaintiffs) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

There has been no trial and the Court did not decide in favor of the Plaintiffs or Defendant on the merits of the claims alleged in the lawsuit. By agreeing to the terms of the settlement, Defendant does not admit to any of the allegations of wrongdoing in this Action or that any Class Member has suffered any damages. Defendant settled the Lawsuit to avoid additional expense, inconvenience, and interference with its business operations.. The Plaintiffs, as well as Plaintiffs' lawyers (called "Class Counsel"), believe the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes all current and former hourly, non-exempt employees who were employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in State of California at any time from January 2, 2019 through April 28, 2025.

If you still are not sure whether you are included in the Class, you can get free help by contacting Apex Class Action, the "Settlement Administrator," at the designated phone number for this matter
QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

at [insert telephone number], or by calling or writing the lawyers representing the Class in this case (“Class Counsel”), at (213) 513-5205.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$1,250,000.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of one-third of the GSA or \$416,666.67 and reimbursement for reasonable costs; Enhancement Award of \$10,000.00, each, to the Plaintiffs (for Plaintiffs’ work and efforts prosecuting this case); a PAGA Penalties payment of \$75,000.00 to resolve the PAGA claims; and Settlement Administration Costs to Apex Class Action, not to exceed \$6,990.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately \$.00. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$75,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Penalties payment, or \$56,250.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalties payment, or \$18,750.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (January 2, 2019 through April 28, 2025). Ninety percent (90%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and ten percent (10%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 10% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendant from October 1, 2022 through April 28, 2025 (“PAGA Period”), you are also an “Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees’ Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The

Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement. *See, e.g., Robinson v So. County Oil*, 53 Cal. App. 476 (2020).

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the Settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing on _____, to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 45 days after the Court's approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash his or her settlement check. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. You can search for unclaimed property on the State's website at: https://www.sco.ca.gov/search_upd.html

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT RIGHTS AM I RELEASING IF I PARTICIPATE IN THE SETTLEMENT?

If the Court grants final approval of this Settlement, each Class Member who does not validly opt-out will be mailed an Individual Settlement Payment, and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the Released Class Claims described below against Defendant and all of Defendant's officers, directors, employees and agents. ("Released Parties"). The releases become effective once the GSA is fully funded by Defendant.

Plaintiffs' Release: Plaintiffs forever discharge Released Parties, as defined in Section 1.43, from all claims, transactions, debts, liabilities, demands, actions, causes of action, or occurrences, of every nature and description that accrued during the Class Period, under state law and the Wage Orders of the California Industrial Welfare Commission, that were alleged or which could have been alleged based on the factual allegations in the Actions, including, but not limited to (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Class

Complaint; (b) all claims that were, or reasonably could have been alleged based on facts contained in the Operative PAGA Complaint, Plaintiffs' PAGA Notice, or ascertained during the Actions and released under 5.2 below; and (c) all claims arising under California Labor Code Sections 201-204, 206, 218.6, 226, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1198, 2800, 2802, and/or those arising under the Industrial Welfare Commission, including IWC Wage Orders 5-2001. California Business and Professions Code section 17200 et seq., California Code of Regulations, title 8, Section 11160, California Civil Code sections 3287, 3289, and 3294, and California Code of Civil Procedure section 1021.5 and all equivalent claims under federal law ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from: (i) all claims transactions, debts, liabilities, demands, actions, causes of action or occurrences of every nature and description that accrued during the Class Period, under state law and the Wage Orders of the California Industrial Welfare Commission, that were alleged or which could have been alleged based on the factual allegations in the First Amended Complaint in the Action, including, but not limited to: that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Class Complaint and ascertained in the course of the Action including, failure to pay wages, failure to authorize and permit rest periods, failure to indemnify for business expenses, failure to issue proper wage statements, failure to timely pay wages, failure to maintain required payroll records, failure to provide meal periods, and related allegations for the Class Period and (b) all claims arising under California Labor Code Sections 201-204, 206, 218.6, 226, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1198, 2800, 2802, and/or those arising under the Industrial Welfare Commission Wage Orders, California Business and Professions Code section 17200 et seq., California Code of Regulations, title 8, Section 11160, California Civil Code sections 3287, 3289, and 3294, and California Code of Civil Procedure section 1021.5. Except as set forth in Section 5.4 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (collectively the "Released Class Claims").

Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all claims, debts, liabilities, demands, actions, or causes of action of every nature and description that accrued during the PAGA Period, under state law and the California Labor Code, that were alleged or which could have been alleged based on the exhausted claims and factual allegations in Plaintiff's notices sent to the LWDA and alleged in the operative complaint, regardless of whether the Aggrieved Employees opt-out of the Settlement Agreement, including claims for civil penalties based on unpaid wages, including but not limited to failure to pay minimum wages, straight time compensation, overtime compensation, double time compensation and interest; failure to timely pay regular and final wages; failure to reimburse business expenses; missed meal period and rest period wages and premiums; meal period waivers and on-duty meal period waivers; payment for all hours worked; wage statements and paystubs, including wage statements and paystubs furnished or available in physical, electronic, or other forms; failure to keep accurate records; penalties, including recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; statutory penalties and civil penalties; and attorneys' fees and costs. Without limiting the foregoing, the PAGA Released Claims include claims for civil penalties arising under California Labor Code Sections 201, 202, 203, 204, 206, 210, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1194, 1197,

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

1197.1, 1198, 2698 et seq., 2800, and 2802, and/or those arising under the Industrial Welfare Commission Wage Orders; PAGA; and/or those arising under the Industrial Welfare Commission Wage Orders; California Code of Regulations, title 8, Section 11160; and California Code of Civil Procedure section 1021.5s (collectively the “Released PAGA Claims”).

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion which must be postmarked no later than 45 days after Class Notice is mailed (plus an additional 14 days for Class Members whose Class notice is re-mailed). Be sure to include your name, address, and telephone number, and any other information you think would be helpful to the settlement Administrator to identify you. You can send your request for exclusion to the settlement Administrator at:

Apex Class Action
Quantum Fuel Systems LLC Settlement
XXXXX
City, State, XXXXX
Email:
Fax:

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (October 1, 2022 through April 28, 2025). If you ask to be excluded, you may be able to sue (or continue to sue) Defendant in the future.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is 45 days after Class Notice is mailed (plus an additional 14 days for Class Members whose Class notice is re-mailed).

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive any money from this Settlement. However, if you timely exclude yourself from the Settlement, you will retain the right to pursue your own legal action against Defendant, if you desire.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm, PLC is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

John G. Yslas
john.yslas@wilshirelawfirm.com
Jeffrey C. Bils
jeffrey.bils@wilshirelawfirm.com
Aram Boyadjian
aram.boyadjian@wilshirelawfirm.com
Andrew Sandoval
andrew.sandoval@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 513-5205
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve \$416,666.67 (or 1/3 of the GSA) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court-approval of up to \$30,000.00 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve a payment to Plaintiffs Dane Carter and Josue Camargo Luna in the amount of \$10,000.00, each, in addition to Plaintiffs' Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiffs have spent in service to the Class as the Class Representative. The Court may award a Class Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you are a Class Member and would like to object to the Settlement, you must not submit a request for exclusion (i.e., must not opt out).

If you submit both a request for exclusion and an objection, you will be excluded from the Settlement (see sections 12- 14 above), and your objection will not be considered. To object, you can either (1) appear and object to the Settlement in person at the Final Approval Hearing, or (2) submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before _____, 2025, at the following address:

Apex Class Action
Quantum Fuel Systems LLC Settlement
XXXXX
City, State, XXXXX
Email:
Fax

All written objections must state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you do not get any money from this Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

THE FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing at _____ on _____ in Department CX-105 of the Orange County Superior Court (Civil Complex Center) located at 751 West Santa Ana Blvd., Santa Ana, California 92701, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payment and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Action.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, Apex Class Action, by calling toll free 1-800 _____, or you can write to the Administrator at the following address:

Apex Class Action
Quantum Fuel Systems LLC Settlement
XXXXX

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

City, State, XXXXX

Email:

Fax:

PLEASE DO NOT TELEPHONE THE COURT OR QUANTUM FUEL SYSTEM LLC'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.