

CLASS, COLLECTIVE, AND REPRESENTATIVE SETTLEMENT
AGREEMENT AND CLASS NOTICE

This Class, Collective, and Representative Action Settlement Agreement (“Agreement”) is made by and between Plaintiff Yolanda Soto (“Plaintiff”) and Defendants MD Hydration Inc. and Brett Florie (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action.” The case titled *Soto, et al. v. MD Hydration Inc., et al.*, filed on February 2, 2024, in the Los Angeles County Superior Court, and assigned Case No. 24STCV02956.

1.2 “Aggrieved Employee.” All current and former non-exempt employees of Defendant employed in California at any time during the PAGA Period.

1.3 “Attorneys’ Fees and Costs.” The Attorneys’ Fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all costs incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, securing the Court’s approval of the Settlement, any expert expenses, and securing an entry of Judgment on all claims in the Action which are covered by the Released Claims as defined herein. Class Counsel will request Attorneys’ Fees not to exceed one third (1/3) of the Class Settlement Amount of One Million Eight Hundred Thirty Thousand Dollars and Zero Cents (\$1,830,000.00), which is a total of Six Hundred Ten Thousand Dollars and Zero Cents (\$610,000.00). The Costs requested to be reimbursed will not exceed Eighteen Thousand Dollars and Zero Cents (\$18,000.00). The Attorneys’ Fees and Costs awarded are subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for Attorneys’ Fees and Costs as set forth above. Such Attorneys’ Fees and Costs shall be paid from the Class Settlement Amount. Class Counsel will be issued an IRS Form 1099 for the Attorneys’ Fees and Costs detailed in this Section and shall be solely and legally responsible for paying all applicable taxes on the payment made pursuant to this Section. A reduction in the Attorneys’ Fees and/or Costs shall not be grounds to nullify this Agreement.

1.4 “Claims Administrator.” Phoenix Class Actions, the neutral entity the Parties have agreed to appoint to administer the Settlement. The Parties each represent that they do not have any financial interest in the Claims Administrator or otherwise have a relationship with the Claims Administrator that could create a conflict of interest.

1.5 “Claims Administration Costs.” The costs payable from the Class Settlement Amount to the Claims Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Class Member, tax reporting, distributing the Class Settlement Amount, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement Agreement, and as requested by the Parties. The Claims Administration Costs will be paid from the Class Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Claims Administrator as being the maximum costs necessary to administer the Settlement. The Claims Administration Costs are currently estimated to be Ten

Thousand Three Hundred Forty Dollars and Zero Cents (\$10,995.00). To the extent actual Claims Administration Costs are greater than Ten Thousand Three Hundred Forty Dollars and Zero Cents (\$10,995.00), such excess amount will be deducted from the Class Settlement Amount, subject to the Court's approval. The Claims Administration Costs will be paid no sooner than fifteen (15) calendar days following the Effective Date.

1.6 "Class Counsel" means LOYR, APC on behalf of Plaintiff and Class Members.

1.7 "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.8 "Class Member(s)" or "Settlement Class." All current and former non-exempt employees of Defendant who worked in the State of California at any time during the Class Period. This includes either a Participating Class Member or Non-Participating Class Member.

1.9 "Class Member Address Search." The Claims Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Claims Administrator with Class Members.

1.10 "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.11 "Class Period" means the period beginning February 2, 2020, through April 15, 2024.

1.12 "Class Representative." The named Plaintiff, Yolanda Soto, in the Action seeking Court approval to serve as Class Representatives.

1.13 "Class Representative Enhancement Payments" or "Class Representative Service Payments." The amount to be paid to Plaintiff in recognition of Plaintiff's effort and work in prosecuting the Action on behalf of Class Members and for Plaintiff's general release of all claims. Subject to the Court granting Final Approval of this Settlement Agreement, Plaintiff will request Court approval of a Class Representative Enhancement Payments of Ten Thousand Dollars and Zero Cents (\$10,000.00). Plaintiff will be issued an IRS Form 1099 in connection with Plaintiff's respective Class Representative Enhancement Payments. Plaintiff shall be solely and legally responsible for paying any and all applicable taxes on these payments and shall hold Defendant harmless from any claim or liability for taxes, penalties or interest arising as a result of the payments. The Class Representative Enhancement Payments will be paid from the Class Settlement Amount and will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. Defendant made no representations as to the tax treatment or legal effect of the payment called for herein, and Plaintiff is not relying on any statement or representation by Defendant or Defendant's counsel in this regard.

1.14 “Class Settlement Amount” or “Gross Settlement Amount.” The sum of no more than the gross amount of One Million Eight Hundred Thirty Thousand Dollars and Zero Cents (\$1,830,000.00) to be paid by Defendant in full satisfaction of all claims arising from the Action. The Class Settlement Amount includes all Individual Settlement Payments to Class Members, Individual PAGA Settlement Payments to Aggrieved Employees, the Class Representative Enhancement Payments to Plaintiff, Claims Administration Costs to the Claims Administrator, the Labor and Workforce Development Agency (“LWDA”) Payment, and the Attorneys’ Fees and Costs. Defendant will be responsible for any employer payroll taxes required by law, separate and in addition to the Class Settlement Amount, including the employer FICA, FUTA, and SDI contributions on the wage portion of the Individual Settlement Payments.

1.15 “Court” means the Superior Court of California, County of Los Angeles.

1.16 “Defense Counsel” means attorneys Goe Forsythe & Hodges LLP on behalf of Defendant.

1.17 “Effective Date.” The date on which the Final Award becomes final. For purposes of this Section, the Final Award “becomes final” only after the Court grants the Motion for Final Approval and upon service of the Notice of Entry of Order and/or Judgment, and upon the latter of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Order Granting Final Approval and/or Judgment (this time period shall not be less than sixty (60) calendar days after the Court’s Order is entered); (ii) the date of affirmance of an appeal of the Order Granting Final Approval and/or Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval and/or Judgment.

1.18 “Final Approval.” The Court’s order granting final approval of the Settlement.

1.19 “Final Approval Hearing.” The Court’s hearing on the Motion for Final Approval of the Settlement.

1.20 “Judgment.” The Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.21 “Individual Class Payment.” The Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

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

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

1.24 “LWDA PAGA Payment.” The 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.25 “Net Settlement Amount.” The Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.26 “Non-Participating Class Member.” Any Class Member who opts out of the Settlement by sending the Claims Administrator a valid and timely Request for Exclusion. Such Class Member shall still be bound by the PAGA Release.

1.27 “PAGA.” The Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

1.28 “PAGA Pay Period.” Any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.29 “PAGA Period.” The period from December 1, 2022, through the date of judgment on a date fixed by the Court.

1.30 “PAGA Notice.” Plaintiff’s letter to Defendant and the LWDA, dated December 1, 2023, providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.31 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (One Hundred Eighty-Three Thousand Dollars \$183,000), allocated 25% to the Aggrieved Employees (Forty-Five Thousand Seven Hundred Fifty Dollars and Zero Cents (\$45,750.00)), and the 75% to LWDA (One Hundred Thirty-Seven Thousand Two Hundred Fifty Dollars and Zero Cents (\$137,250.00)), in settlement of PAGA claims.

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

1.33 “Plaintiff.” Yolanda Soto, the named Plaintiff in the Action.

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

1.35 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

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

1.37 “Released PAGA Claims” means the claims being released as described in Paragraph 5.1.2 below.

1.38 “Released Parties” means Defendants MD Hydration Inc. and Brett Florie, all parents, subsidiaries, affiliates and management companies, each of their former and present directors, officers, shareholders, owners, managing agent, attorneys, insurers, predecessors, successors, and assigns.

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

1.40 “Response Deadline” means Forty Five (45) calendar days after the Claims Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Claims Administrator shall have an additional fifteen (15) calendar days beyond the Response Deadline has expired.

1.41 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.42 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1 Plaintiff is alleged to be a former employee of Defendant.

2.2 On February 2, 2024, Plaintiff Yolanda Soto (“Soto”) commenced the Action. Soto filed a Complaint purporting to allege causes of action against Defendant for: (1) Failure to Compensate All Hours Worked; (2) Failure to Provide Proper Wage Statements; (3) Failure to Pay Minimum Wages; (4) Failure to Pay Overtime Compensation; (5) Missed Rest Breaks; (6) Failure to Reimburse Business Expenses; and (7) Unfair Competition Law Remedies for Unlawful and Unfair Business Acts. Defendant denies the allegations in the Complaint, and denies any failure to comply with the laws identified in the Complaint and denies any and all liability for the causes of action alleged.

2.3 On February 9, 2024, Plaintiff filed a First Amended Complaint purporting to allege causes of action against Defendant for: (1) Failure to Compensate All Hours Worked; (2) Failure to Provide Proper Wage Statements; (3) Failure to Pay Minimum Wages; (4) Failure to Pay Overtime Compensation; (5) Missed Rest Breaks; (6) Failure to Reimburse Business Expenses; (7) Unfair Competition Law Remedies for Unlawful and Unfair Business Acts; and (8) Private Attorneys General Act Remedies for Violations of the Labor Code (PAGA). Defendant denies the allegations in the First Amended Complaint, and denies any failure to comply with the laws identified in the First Amended Complaint and denies any and all liability for the causes of action alleged.

2.4 Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave written notice to Defendant and the LWDA by sending the PAGA Notice on December 1, 2023 via certified mail. The PAGA Notice alleges Defendant violated California Labor Code sections 201-203, 226, 226.7, 500, 510, 512, 516, 558, 1174, 1194, 1194.2, 1197, 1198, 2802, 2699, et seq., 2699.3, and the applicable Industrial Welfare Commission Wage Order(s).

2.5 On September 3, 2024, the Parties participated in an all-day mediation presided over by the Hon. Carl J. West (Ret.) which led to this Agreement to settle the Action.

2.6 Class Counsel has conducted a thorough investigation into the facts of the Action, including extensive informal discovery and exchange of a volume of documents and information, which included and was not limited to, Defendant's production of a sampling of information/data for the putative class members to allow Plaintiff to perform an analysis and valuation of all claims. Prior to mediation the Parties exchanged information and documents to investigate the veracity, strength, and scope of the claims, and to allow analysis and evaluation of the claims and Defendant's defenses thereto. The Class Representatives have vigorously prosecuted this case, and Defendant has vigorously contested it. The Court has not granted class certification in the Action.

2.7 Without any admission of wrongdoing or liability by Defendant, it is the intention and agreement of the Parties to settle and dispose of, fully and completely, the Released Claims against the Released Parties (defined herein).

2.8 This Agreement is subject to the occurrence of the Effective Date of the Stipulation and Settlement of Class, Collective, and Representative Action.

2.9 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. Defendant promises to pay the total gross amount of One Million Eight Hundred Thirty Thousand Dollars and Zero Cents (\$1,830,000.00) and no more as the Gross Settlement Amount, not including employer-side payroll taxes. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated herein. The Claims Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2 Payments from the Gross Settlement Amount. The Claims 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 Plaintiff. Class Representatives Service Payment to the Class Representative of not more than Ten Thousand Dollars and Zero Cents (\$10,000.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member) in exchange for a general release of all claims, including a California Civil Code section 1542 waiver. Defendant will not oppose Plaintiff's request for a Class Representatives Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representatives Service Payments less than the amount requested, the Claims Administrator will retain the remainder in the Net Settlement Amount. The Claims Administrator will pay the Class Representatives Service Payments using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee

taxes owed on the Class Representatives Service Payments. A reduction of the Class Representatives Service Payment shall not be grounds to nullify this Agreement.

3.2.2 To Class Counsel. A Class Counsel Fees Payment of not more than one third (1/3) of the Class Settlement Amount of One Million Eight Hundred Thirty Thousand Dollars and Zero Cents (\$1,830,000.00), which is a total of Six Hundred Ten Thousand Dollars and Zero Cents (\$610,000.00), and a Class Counsel Litigation Expenses Payment of not more than Eighteen Thousand Dollars and Zero Cents (\$18,000.00). Defendant will not oppose a request for the payment provided that the request does not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Claims Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Claims Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and hold Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. A reduction of the Class Counsel Fees Payment and/or Class Counsel Expenses Payment shall not be grounds to nullify this Agreement.

3.2.3 To the Claims Administrator. A Claims Administrator Expenses Payment not to exceed Ten Thousand Three Hundred Forty Dollars and Zero Cents (\$10,995.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than Ten Thousand Three Hundred Forty Dollars and Zero Cents (\$10,995.00), the Claims Administrator will retain the remainder in the Net Settlement Amount for distribution on a pro rata basis to Alleged Aggrieved Employees and Participating Class Members.

3.2.4 To Each Participating Class Member. An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. One third of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. Two thirds of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest, penalties, and other non-wage damages (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual

Class Payments. The Claims Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees. PAGA Penalties in the amount of One Hundred Eighty-Three Thousand Dollars and Zero Cents (\$183,000.00) to be paid from the Gross Settlement Amount, with 75% (\$137,250.00), allocated to the LWDA PAGA Payment and 25% (\$45,750.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Claims Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$45,750.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Claims Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. The Claims Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT DATA, FUNDING AND PAYMENTS.

4.1 Escalator Clause. Defendant estimates the number of work weeks during the Class Period to be 22,209. If the actual number of Workweeks encompassed within the Class Period exceeds 22,209 by more than 10%, i.e. 24,430 or more, then, Defendant at its exclusive discretion may either (a) increase the Gross Settlement Amount by a pro-rata dollar value for those workweeks in excess of the escalation margin; or (b) end the Class Period on the date on which the number of workweeks is no more than 10% higher than 22,209. Under the latter option, which is hereby exercised, no additional payment is necessary.

4.2 Class Data. Not later than twenty (20) business days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Claims Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Claims Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Claims Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Claims Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll

taxes by transmitting the funds to the Claims Administrator no later than fourteen (14) calendar days following the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant funds the Gross Settlement Amount, the Claims Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 Distribution of Settlement Payments and Class Notice. The Claims Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than one-hundred eighty (180) calendar days after the date of mailing) when the check will be voided. The Claims Administrator will cancel all checks not cashed by the void date. The Claims Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Claims Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Claims Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Claims Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

4.4.3 Uncashed Settlement Checks. Any checks issued by the Claims Administrator to Class Members will be negotiable for one-hundred eighty (180) calendar days. After one-hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void. Funds associated with cancelled checks will be transmitted to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of the California Code of Civil Procedure Section 384, subd. (b).

4.4.4 Unaffected Benefits. The Individual Settlement Payments made to Class Members under this Settlement, and any other payments made pursuant to this Settlement, will not

be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

5. RELEASE. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties, as follows:

5.1 **Plaintiff's Released Claims.** Upon the Effective Date and upon Defendant's fully funding the Gross Settlement Amount, and as a condition of receiving any portion of the Class Representatives Enhancement Payments, Plaintiff shall fully and finally release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to Plaintiff's employment with Defendant and Plaintiff's compensation while employees of Defendant. Plaintiff's released claims include, but are not limited to, all claims asserted in, arising from, or related to the Action, to include but not limited to the Released PAGA Claims and Released Class Claims. Plaintiff's released claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; failure to properly calculate the regular rate of pay and associated claims; wages related to alleged illegal time rounding; failure to pay wages at least twice each calendar month; failure to timely pay wages; failure to timely pay final wages; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; reimbursement for all necessary business expenses, including work-related cell-phone expenses and car mileage for work-related travel; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; deductions; failure to keep accurate records; failure to provide suitable seating; failure to maintain temperature providing reasonable comfort; unlawful deductions and/or withholdings from wages; unfair business practices; suitable seating; penalties, including, but not limited to, recordkeeping penalties, wage statement and payroll reporting penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's released claims include all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 204.1, 204.2, 206, 210, 216, 218, 218.5, 218.6, 221, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 247.5, 248.5, 256, 450, 510, 511, 512, 515, 516, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1197.2, 1198, 1198.5, 2698 et seq., 2699 et seq., 2802, and 2804); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 (PAGA); California Business and Professions Code section 17200, et seq.; the California Civil Code, to include sections 3287, 3336 and 3294; 8 CCR §§ 3203, 11070, 11090, 11100; California Code of Civil Procedure § 1021.5; all state and local ordinances related to COVID-19 right of recall; the California common law of contract; the FLSA, 29 U.S.C. §§ 201, et seq.; 29 CFR 778.223; 29 CFR 778.315; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. §§ 1001, et seq. (ERISA). Plaintiff's released claims also include all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for

discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. § 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), and the California Fair Employment and Housing Act (FEHA); and the law of contract and tort. This release excludes the release of workers compensation claims as well as claims not permitted by law.

Plaintiff's released claims include all claims, whether known or unknown. Even if Plaintiff discover facts in addition to or different from those that Plaintiff now know or believe to be true with respect to the subject matter of Plaintiff's released claims, those claims will remain released and forever barred. Thus, Plaintiff expressly waive and relinquish the provisions, rights and benefits of section 1542 of the California Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Additionally, as a condition of receiving the Class Representatives Enhancement Payments, Plaintiff agree to promptly initiate and seek the full dismissal, withdrawal and/or closure of all claims, grievances, charges or causes of action now pending against Defendant, in any forum, including but not limited to union, administrative or judicial forum and/or under any collective bargaining agreement, with the exception of workers compensation claims as well as those claims(s) in the Action, which are subject to the Agreement and will be disposed of in accordance with the terms and conditions of the Agreement and related court orders. To the full extent permitted by law, Plaintiff irrevocably and absolutely agree that Plaintiff will not prosecute nor allow to be prosecuted on Plaintiff's behalf, in any administrative agency, whether federal or state, or in any court, whether federal or state, any claim or demand of any type related to the matters released above, it being the intention of the Parties that with the execution by Plaintiff of this release, Defendant and all of the Released Parties will be absolutely, unconditionally and forever discharged of and from all obligations to or on behalf of Plaintiff related in any way to the matters discharged herein. Plaintiff represent and warrant that, as of the date Plaintiff sign this Agreement, Plaintiff have no charges, complaints, filings, claims or lawsuits of any kind pending against Defendant or any of the Released Parties other than the Action and any workers compensation claim. Plaintiff will not directly or indirectly participate, assist, or cooperate in any lawsuit or complaint in a court of law against the Released Parties, including any class and/or representative action, with the exception of the Action which is subject to this Agreement, unless and to the extent required or compelled by law. Plaintiff also covenant and agree that, to the full extent permitted by law, Plaintiff hereby waive and release any and all rights or claims Plaintiff may have to any proceeds or awards to which Plaintiff may be entitled under any claims brought on Plaintiff's behalf against any of the Released Parties by any other person or entity. Nothing in this Agreement will prohibit Plaintiff from (a) complying with any valid subpoena or court order, or (b) cooperating with any official investigation conducted by a government or law enforcement agency.

5.1.1 No Conditional Payments Made By Medicare to Plaintiff. Plaintiff expressly acknowledge Medicare's statutory right to recovery of conditional payments for medical treatment and medical service rendered in connection with any illness or injury suffered by Plaintiff in the course of Plaintiff's employment with Defendant, and guarantee that Plaintiff is not a Medicare Beneficiaries, and there are no outstanding Medicare or Medicaid claims or rights of recovery of conditional payments based on Plaintiff's application for, or receipt of, Medicare or Medicaid benefits. This specifically includes benefits arising out of or in any way connected with, directly or indirectly, the facts and/or allegations that form the basis of the Action, the occurrences described herein, and any consequences thereof. Additionally, Plaintiff warrant, represent, and guarantee that Plaintiff have no medical expenses arising out of or in any way connected with, directly or indirectly, the facts and/or allegations that form the basis of the Action, the occurrences described herein, and any consequences thereof, including any of Plaintiff's released claims, nor do Plaintiff anticipate any medical expenses arising out of or in any way connected with, directly or indirectly, the facts and/or allegations that form the basis of the Action, the occurrences described herein, and any consequences thereof, including any released claims. In the event Medicare asserts such a claim or right of reimbursement now, or at any point in the future, all such claims or rights of reimbursement shall be satisfied from among the proceeds of this settlement, and no additional monies shall ever be requested from or paid by the Released Parties. This settlement is based upon a good faith determination of the Parties to resolve disputed claims. The Parties have not shifted responsibility of medical treatment to Medicare in contravention of 42 U.S.C. § 1395y(b). The Parties resolved this matter in compliance with both state and federal law. The Parties made every effort to adequately protect Medicare's interest and incorporate such into the settlement terms. The Parties acknowledge and understand that any present or future action or decision by the Centers for Medicare & Medicaid Services ("CMS") or Medicare on this Agreement, or Plaintiff's eligibility or entitlement to Medicare or Medicare payments, will not render this release void or ineffective, or in any way affect the finality of this Agreement.

5.1.2 Released PAGA Claims. Upon the Effective Date and upon Defendants fully funding the Gross Settlement Amount, the State of California and all Aggrieved Employees, including those who timely and effectively exclude themselves from the Settlement, shall nevertheless be bound by the Released PAGA Claims and shall receive a pro rata portion of 25% of the PAGA Settlement Amount. Aggrieved Employees shall fully and finally release Released Parties of the Released PAGA Claims only for the PAGA Period. The Released PAGA Claims include any and all claims for penalties asserted in Plaintiff's PAGA Notice, or that reasonably could have been alleged based on the facts and claims actually alleged in Plaintiff's PAGA Notice, including, without limitation, Labor Code sections 201-203, 226, 226.7, 500, 510, 512, 516, 558, 1174, 1194, 1194.2, 1197, 1198, 2699, et seq., 2699.3, and the applicable Industrial Welfare Commission Wage Order(s). The Released PAGA Claims will not include any of the underlying wage and hours claims on which the PAGA penalties are premised.

5.2 Released Class Claims. Upon the Effective Date and upon Defendant's fully funding the Gross Settlement Amount, all Class Members (which specifically includes Plaintiff) shall fully and finally release Released Parties of the Released Class Claims. The Released Class Claims include any and all claims, wage and hour claims, rights, demands, liabilities and causes of action of any nature or description alleged/asserted in the Action or reasonably arising from the facts and claims alleged/asserted in the Action.

The Released Class Claims include all claims for missed meal and rest breaks in violation of Cal. Labor Code sections 200, 226.7, 512, and 12 California Code of Regulations section 11050; failure to pay overtime compensation in violation of California Labor Code section 1194, et seq.; failure to provide proper wage statement in violation of California Labor Code section 226; failure to timely pay unpaid wages due at time of separation of employment in violation of California Labor Code sections 201-203; violation of California Business & Professions Code sections 17200, et seq.; and failure to permit inspection of personnel and payroll records in violations of California Labor Code section 1198.5, as well as claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; failure to properly calculate the regular rate of pay and associated claims; wages related to alleged illegal time rounding; failure to pay wages at least twice each calendar month; failure to timely pay wages; failure to timely pay final wages; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; deductions; failure to keep accurate records; unlawful deductions and/or withholdings from wages; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement and payroll reporting penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs related to the Released Class Claims. The Released Class Claims also include but are not limited to all such claims arising under: California Labor Code sections 200, 201, 201-203, 201.3, 202, 204, 204b, 204.1 204.2, 205, 205.5, 210, 221, 223, 224, 225.5, 226, 226.3, 226.7, 227.3, 248.5, 432, 500, 510, 512, 515, 516, 558, 1171, 1173, 1173.1, 1174, 1194, et seq., 1194.2, 1197, 1197.1, et seq., 1197.5, 1198, 1198.5, and the applicable Industrial Welfare Commission Wage Order(s); 12 California Code of Regulations section 11050; all claims relating to the Released Class Claims under the California Business and Professions Code section 17200, et seq.; the Release shall also include all claims relating to the Released Claims under the applicable Wage Orders of the California Industrial Welfare Commission (including, but not limited to, IWC Wage Order Nos. 4-2001, 5-2001, 10-2001 and 8 CCR § 11100) for failure to provide accurate itemized wage statements, failure to provide right to inspect or copy personnel files, failure to keep accurate records, for civil and statutory penalties, including wage statement penalties, record keeping penalties, reporting time pay, and penalties for personnel file violation. This release excludes the release of claims not permitted by law, including but not limited to claims brought for workers' compensation benefits.

6. ADMINISTRATION OF TAXES.

6.1 Tax Treatment of Individual Settlement Payments. The Individual PAGA Payments will be allocated as 100% penalties and reported on an IRS-Form 1099. All Individual Settlement Payments will be allocated as follows: one third of each Individual Settlement Payment will be allocated as wages and two thirds will be allocated as non-wages. The portion allocated to wages will be reported on an IRS Form W-2 and the portion allocated to non-wages will be reported on an IRS Form-1099 by the Claims Administrator. The Individual Settlement Payments will be reduced by any required legal deductions for each Class Member. All standard employee payroll deductions will be made for state and federal withholding taxes, including any other applicable payroll deductions owed by the Class Members as a result of the wage component, resulting in a net wage component. The Claims Administrator will issue a check and W-2 Form to each Class

Member for the wage component. The Claims Administrator will issue a second check and IRS Form-1099 for the remaining non-wages component. No withholding shall be made on the non-wages portion of the Individual Settlement Payment. The Claims Administrator shall be responsible for issuing the payments and calculating and withholding all required state and federal taxes. The Claims Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. Any disputes not resolved by the Claims Administrator concerning the administration of the Settlement will be resolved by the Court, under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of involving the Court.

6.2 Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Class Members are not relying on any statement, representation, or calculation by Defendant or by the Claims Administrator in this regard. Plaintiff and Class Members understand and agree they will be solely responsible for the payment of their share of any taxes and penalties assessed on the payments described herein.

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

7. MOTION FOR PRELIMINARY APPROVAL. Class Representative and Class Counsel agree to prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).

7.1 Defendant's Declaration in Support of Preliminary Approval. Within ten (10) calendar days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Claims Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.2 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel for review prior to filing all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Claims Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) signed declarations from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Claims Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members and the Claims Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.3 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) calendar days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Claims Administrator.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Claims Administrator. The Parties have jointly selected Phoenix Class Actions to serve as the Claims Administrator and verified that, as a condition of appointment, Phoenix Class Actions agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Claims Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

8.3 Qualified Settlement Fund. The Claims Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

8.4 Notice to Class Members.

8.4.1 No later than three (3) business days after receipt of the Class Data, the Claims Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

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

8.4.3 Not later than three (3) business days after the Claims Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Claims Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Claims Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Claims Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

8.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fifteen (15) calendar days beyond the Forty Five (45) calendar days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Claims Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.4.5 If the Claims Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Claims Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fifteen (15) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8.5 Requests for Exclusion (Opt-Outs).

8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Claims Administrator, by mail, a signed written Request for Exclusion not later than forty five (45) calendar days after the Claims Administrator mails the Class Notice (plus an additional fifteen (15) calendar days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely postmarked by the Response Deadline.

8.5.2 The Claims Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Claims Administrator shall accept any Request for Exclusion as valid if the Claims Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Claims Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Claims Administrator has reason to question the authenticity of a Request for Exclusion, the Claims Administrator may demand additional proof of the Class Member's identity. The Claims Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.2 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45) calendar days after the Claims Administrator mails the Class Notice (plus an additional fifteen (15) calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Claims Administrator via mail. The Claims Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Claims 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 Claims 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 Claims Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Claims Administrator's determination the challenges.

8.7 Objections to Settlement.

8.7.1 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 Class Representative Service Payment.

8.7.2 Participating Class Members may send written objections to the Claims Administrator, by 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 Claims Administrator must do so not later than forty five (45) calendar days after the Claims Administrator's mailing of the Class Notice (plus an additional fifteen (15) calendar days for Class Members whose Class Notice was re-mailed).

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

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

8.8.1 Toll-Free Number. The Claims Administrator will maintain a toll-free telephone number to receive Class Member calls.

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

8.8.3 Weekly Reports. The Claims Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for 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 Claims Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.8.4 Workweek and/or Pay Period Challenges. The Claims 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 Claims Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

8.8.5 Claims Administrator's Declaration. Not later than fourteen (14) calendar days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Claims 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 Claims Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Claims Administrator's declaration(s) in Court.

8.8.6 Final Report by Settlement Claims Administrator. Within ten (10) calendar days after the Claims Administrator disburses all funds in the Gross Settlement Amount, the Claims 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 fifteen (15) calendar days before any deadline set by the Court, the Claims 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 Claims Administrator's declaration in Court.

9. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% (ten percent) of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) business days after the Claims Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. NULLIFICATION OF AGREEMENT. In the event: (i) the Court does not enter the Preliminary Approval Order and approve the Released Claims specified herein; (ii) the Court does not finally approve the Settlement as provided herein; (iii) Defendant exercises its option to nullify the Settlement Agreement based on an excessive number of opt-outs, as described in the above Section; or (iv) the Settlement does not become final for any other reason (*e.g.*, an objection by the LWDA), this Settlement Agreement shall be null and void. A reduction of the Attorneys' Fees and Costs and/or any Class Representative Enhancement Payments shall not be grounds for nullification of this Settlement. If the Settlement is nullified, any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning, and the Stipulations and Recitals contained herein shall be of no force or effect, and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Claims Administrator, unless stated otherwise in this Agreement, shall be paid equally by both Parties. The Parties agree that they will cooperate and take all steps necessary in order to obtain preliminary and/or final approval in the event that the Court raises

issues or questions about this Settlement or anything pertaining to this Settlement (including, but not limited to, the motion for preliminary approval and motion for final approval).

11. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than 14 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Claims Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

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

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

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless

expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment 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.

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

13. ADDITIONAL PROVISIONS.

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

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

13.3 Confidentiality. Neither Plaintiff nor Plaintiff's Counsel shall issue any press release or announcement of any kind related in any way to the Settlement. Plaintiff and Plaintiff's Counsel agree that, prior to providing submission of this Agreement to the LWDA and the filing of their Motion for Preliminary Approval of the Settlement, they will keep the terms of this Settlement confidential except for purposes of communicating with Plaintiff only. Plaintiff shall be informed that the Settlement is confidential and shall be advised to keep the Settlement confidential. From and after Preliminary Approval of the Settlement, the Class Members (including Plaintiff and Class Counsel) may: (1) as required by law; (2) as required under the terms of the Settlement; or (3) as required under counsel's duties and responsibilities as Class Counsel, comment regarding the specific terms of the Settlement. In all other cases, Plaintiff and Class Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written or electronic (including the world wide web), to say the Action have been resolved and that

Plaintiff and Class Counsel are satisfied with the Settlement terms. Nothing in this Section is intended to interfere with Class Counsel's duties and obligations to faithfully discharge their duties as Class Counsel, including but not limited to, communicating with Class Members regarding the Settlement. This Settlement shall not be advertised or mentioned on any source, including Plaintiff's Counsel's personal or firm website(s).

The Parties stipulate and agree, pursuant to California Code of Civil Procedure section 583.330(a), to extend the time within which this action must be brought to trial pursuant to Code of Civil Procedure sections 583.310 through 583.360, by that period of time from Preliminary Approval to the date of Final Approval or upon written notice from either party of an intent to resume litigation, and that said period of time shall not be included in the computation of the five-year period specified in Code of Civil Procedure section 583.310.

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

13.5 Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

13.6 Contractual Terms. Each term of this Agreement is contractual and not merely a recital.

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

13.8 Modifications. The Parties agree that the provisions of this Agreement may not be modified by any subsequent agreement unless the modifying agreement is: (i) in writing; (ii) specifically references this Agreement; (iii) signed by Plaintiff; and (iv) signed and approved by an authorized officer of Defendant.

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

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

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

13.12 Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more

counterparts. All executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument. The Parties expressly agree to the use of authorized electronic signature (e.g., DocuSign).

13.13 Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of Eve Wagner, Esq. (mediator) to resolve such disagreement.

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

13.15 Captions. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

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

13.17 Enforcement Action. If one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement action.

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

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

13.20 Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a class action should be certified or (b) Defendant is liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

13.21 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or legal holiday, such date or deadline shall be on the first business day thereafter.

13.22 Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law. Plaintiff, and not Plaintiff's representative(s), must personally execute this Settlement Agreement.

13.23 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Claims Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Claims Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

13.24 Miscellaneous. The Parties have full authority to enter into this Agreement and to be bound by it. The Parties are voluntarily entering into this Agreement free of any duress or coercion. This Agreement may be executed by the Parties in any number of counterparts, which are defined as duplicate originals, all of which taken together shall be construed as one document. A signature by facsimile on this Agreement shall be as legally binding as an original signature. This Agreement shall be construed and governed by the laws of the State of California.

PLEASE READ CAREFULLY

THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE INCLUDES

A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS

The Settlement Agreement consists of 26 pages with signatures appearing below.

PLAINTIFF Yolanda Soto

Signature: 
Yolanda Islas soto (Apr 29, 2025 16:38 PDT)

Date: 04/29/2025

DEFENDANT MD Hydration Inc.

Print Name: _____

Date: _____

Title: _____

Signature: _____

DEFENDANT Brett Florie

Signature: _____

Date: _____

SIGNED AS TO FORM:

Dated: April 29, 2025

LOYR, APC



By: _____

Young W. Ryu, Esq.

Zachariah E. Moura, Esq.

Kee S. Mah, Esq.

Harley M. Phleger, Esq.

Attorneys for Plaintiff YOLANDA SOTO

Dated:

Goe Forsythe & Hodges LLP

By: _____

Ron Hodges, Esq.

Jeff M. Yostanto, Esq.

Attorneys for Defendants, MD HYDRATION
INC. and BRETT FLORIE

A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS

The Settlement Agreement consists of 26 pages with signatures appearing below.

PLAINTIFF Yolanda Soto

Signature: _____

Date: _____

DEFENDANT MD Hydration Inc.

Print Name: **Brett Florie** _____

Date: **4/29/25** _____

Title: **CMO** _____

Signature:  _____

DEFENDANT Brett Florie

Signature:  _____

Date: **4/29/25** _____

SIGNED AS TO FORM:

Dated:

LOYR, APC

By: _____
Young W. Ryu, Esq.
Zachariah E. Moura, Esq.
Kee S. Mah, Esq.
Harley M. Phleger, Esq.
Attorneys for Plaintiff YOLANDA SOTO

Dated: April 29, 2025

Goe Forsythe & Hodges LLP

By:  _____
Ron Hodges, Esq.
Jeff M. Yostanto, Esq.
Attorneys for Defendants, MD HYDRATION
INC. and BRETT FLORIE

EXHIBIT A

EXHIBIT A

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

Yolanda Soto v. MD Hydration Inc. et al.

Los Angeles Superior Court Case No. 24STCV02956

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against MD Hydration Inc., and Brett Florie (collectively “Defendants”) for alleged wage and hour violations. The Action was filed by former DEFENDANTS employee Yolanda Soto (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members”) who worked for DEFENDANTS during the Class Period (February 2, 2020 to April 15, 2024); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for DEFENDANTS during the PAGA Period (December 1, 2022, through the present) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring DEFENDANTS to fund Individual Class Payments, and (2) a PAGA Settlement requiring DEFENDANTS to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on DEFENDANTS’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. 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 DEFENDANTS’ 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 DEFENDANTS’ records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully 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 DEFENDANTS to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against DEFENDANTS.

If you worked for DEFENDANTS during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against DEFENDANTS.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against DEFENDANTS, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

DEFENDANTS will not retaliate against you for any actions you take with respect to the proposed Settlement.

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against DEFENDANTS that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is 	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. DEFENDANTS must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by 	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.

You Can Participate in the [REDACTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [REDACTED]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to DEFENDANTS' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former DEFENDANTS employee. The Action accuses DEFENDANTS of violating California labor laws by failing to pay wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks, and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Young Ryu, Esq. and Harley Phleger, Esq. of LOYR, APC ("Class Counsel.")

DEFENDANTS strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether DEFENDANTS or Plaintiff is correct on the merits. In the meantime, Plaintiff and DEFENDANTS hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and DEFENDANTS have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, DEFENDANTS does not admit any violations or concede the merit of any claims. Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) DEFENDANTS has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks

and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. DEFENDANTS Will Pay \$1,830,000 as the Gross Settlement Amount (Gross Settlement). DEFENDANTS have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, DEFENDANTS will fund the Gross Settlement not more than fourteen (14) days after the Court grants the Motion for Final Approval and upon service of the Notice of Entry of Order and/or Judgment, and upon the latter of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Order Granting Final Approval and/or Judgment; (ii) the date of affirmance of an appeal of the Order Granting Final Approval and/or Judgment; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval and/or Judgment.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$610,000 (1/3 of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$18,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$10,995 to the Administrator for services administering the Settlement.
 - D. Up to \$183,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Class Size Estimates and Escalator Clause. Based on its records, DEFENDANTS estimates that, as of September 3, 2024, there were 501 Class Members and 22,209 Workweeks collectively worked by the Settlement Class Members during the Class Period. If the number of the aggregate Workweeks worked by Settlement Class Members during the Class Period is more than 10% greater than this figure (i.e., if there are more than 24,430 Workweeks worked by the Settlement Class), DEFENDANTS will have the option of increasing the Gross Settlement Amount proportionally for any workweeks above 24,430, or shortening the Class Period to cover the time period encompassing 24,430 workweeks. DEFENDANTS have exercised the latter option.
4. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
5. Taxes Owed on Payments to Class Members. Plaintiff and DEFENDANTS are asking the Court to approve an allocation of 1/3 of each Individual Class Payment to taxable wages (“Wage Portion”) and 2/3 to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (DEFENDANTS will separately pay employer payroll taxes it owes on the Wage Portion.) The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. Although Plaintiff and DEFENDANTS have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.
6. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
7. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____ that you wish to opt-out. The easiest way to notify the Administrator is to **send a written** and signed Request for

Exclusion by the _____ Response Deadline. The Request for Exclusion should be a

letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against DEFENDANTS.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against DEFENDANTS based on the PAGA Period facts alleged in the Action.

8. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and DEFENDANTS have agreed that, in either case, the Settlement will be void: DEFENDANTS will not pay any money and Class Members will not release any claims against DEFENDANTS.
9. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
10. Participating Class Members' Release. After the Judgment is final and DEFENDANTS has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against DEFENDANTS or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.
The Participating Class Members will be bound by the following release:
Upon the Effective Date and upon Defendant's fully funding the Gross Settlement Amount, all Class Members (which specifically includes Plaintiff) shall fully and finally release Released Parties of the Released Class Claims. The Released Class Claims include any and all claims, wage and hour claims, rights, demands, liabilities and causes of action of any nature or description alleged/asserted in the Action or reasonably arising from the facts and claims alleged/asserted in the Action. The Released Class Claims include all claims for missed meal and rest breaks in violation of Cal. Labor Code sections 200, 226.7, 512, and 12 California Code of Regulations section 11050; failure to pay overtime compensation in violation of California Labor Code section 1194, et seq.; failure to provide proper wage statement in violation of California Labor Code section 226; failure

to timely pay unpaid wages due at time of separation of employment in violation of California Labor Code sections 201-203; violation of California Business & Professions Code sections 17200, et seq.; and failure to permit inspection of personnel and payroll records in violations of California Labor Code section 1198.5, as well as claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; failure to properly calculate the regular rate of pay and associated claims; wages related to alleged illegal time rounding; failure to pay wages at least twice each calendar month; failure to timely pay wages; failure to timely pay final wages; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; deductions; failure to keep accurate records; unlawful deductions and/or withholdings from wages; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement and payroll reporting penalties, minimum-wage penalties, and waiting- fees and costs related to the Released Class Claims. The Released Class Claims also include but are not limited to all such claims arising under: California Labor Code sections 200, 201, 201-203, 201.3, 202, 204, 204b, 204.1 204.2, 205, 205.5, 210, 221, 223, 224, 225.5, 226, 226.3, 226.7, 227.3, 248.5, 432, 500, 510, 512, 515, 516, 558, 1171, 1173, 1173.1, 1174, 1194, et seq., 1194.2, 1197, 1197.1, et seq., 1197.5, 1198, 1198.5, and the applicable Industrial Welfare Commission Wage Order(s); 12 California Code of Regulations section 11050; all claims relating to the Released Class Claims under the California Business and Professions Code section 17200, et seq.; the Release shall also include all claims relating to the Released Claims under the applicable Wage Orders of the California Industrial Welfare Commission (including, but not limited to, IWC Wage Order Nos. 4-2001, 5-2001, 10-2001 and 8 CCR § 11100) for failure to provide accurate itemized wage statements, failure to provide right to inspect or copy personnel files, failure to keep accurate records, for civil and statutory penalties, including wage statement penalties, record keeping penalties, reporting time pay, and penalties for personnel file violation. This release excludes the release of claims not permitted by law, including but not limited to claims brought for workers' compensation benefits.

11. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and DEFENDANTS has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against DEFENDANTS, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against DEFENDANTS or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

Upon the Effective Date and upon Defendants fully funding the Gross Settlement Amount, the State of California and all Aggrieved Employees, including those who timely and effectively exclude themselves from the Settlement, shall nevertheless be bound by the Released PAGA Claims and shall receive a pro rata portion of 25% of the PAGA Settlement Amount. Aggrieved Employees shall fully and finally release Released Parties of the Released PAGA Claims only for the PAGA Period. The Released PAGA Claims include any and all claims for penalties asserted in , or that reasonably could have been alleged based on the facts and claims actually alleged in Plaintiff's PAGA Notice, including, without limitation, Labor Code sections 201-203, 226, 226.7, 500, 510, 512, 516, 558, 1174, 1194, 1194.2, 1197, 1198, 2699, et seq., 2699.3, and the applicable Industrial Welfare Commission Wage Order(s). The Released PAGA Claims will not include any of the underlying wage and hours claims on which the PAGA penalties are premised.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$45,750 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in DEFENDANTS' records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Yolanda Soto v. MD Hydration Inc., et al.* Los Angeles Superior Court Case No. 24STCV02956, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and DEFENDANTS are asking the Court to approve. At least [REDACTED] days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [REDACTED] (url) [REDACTED] or the Court's website [REDACTED] (url) [REDACTED].

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [REDACTED].** Be sure to tell the Administrator what you object to, why

you object, and any facts that support your objection. Make sure you identify the Action *Yolanda Soto v. MD Hydration., Inc. et al.* Los Angeles Superior Court Case No. 24STCV02956, and include your name, current address, telephone number, and approximate dates of employment for DEFENDANTS and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [redacted] at (time) in Department 9 of the Los Angeles Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via Zoom (<https://www.lacourt.org/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [redacted] (url) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

Notice of the Court's order of final approval will be posted on the Administrator's website at <https://www.phoenixclassaction.com/class-action-lawsuits/judgments/>.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything DEFENDANTS and Plaintiff have promised to do under the proposed Settlement. Although there is no dedicated settlement website, the easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Phoenix Class Action Administration Solutions' website at [redacted] (url). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://lacourt.org/>) and entering the Case Number for the Action, Case No. 24STCV02956. You can also make an appointment to personally review court documents in the Clerk's Office at the Los Angeles Justice Center by calling (909) 708-8678.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Name of Attorney: Young Ryu, Esq.

Email Address: young.ryu@loywr.com

Name of Firm: LOYR, APC

Mailing Address: 1055 W 7th Street, Suite 2290, Los Angeles, CA 90017

Telephone: (213) 318-5323

Settlement Administrator:

Name of Company: Phoenix Class Action Administration Solutions

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Controller's Unclaimed Property Fund at https://www.sco.ca.gov/search_upd.html for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.