

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 599-8292
jlapuyade@jcl-lawfirm.com

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)
Jaclyn Joyce (State Bar #285124)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 255-9047
shani@zakaylaw.com
jaclyn@zakaylaw.com

LAWYERS *for* JUSTICE, P.C.

Yasmin Hosseini (SBN 326399)
Ryan Slinger (SBN 351297)
450 North Brand Blvd., Suite 900
Glendale, CA 91203
Telephone: (818) 265-1020
Facsimile: (818) 265-1021
yasmin@calljustice.com
r.slinger@calljustice.com

Attorneys for PLAINTIFF

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF RIVERSIDE

ALEXIS TOPETE-HERNANDEZ, individually,
and on behalf of other members of the general
public similarly situated and on behalf of other
aggrieved employees pursuant to the California
Private Attorneys General Act;

Plaintiff,

v.

THE PEGGS COMPANY, INC., a California
corporation; and DOES 1 through 100, inclusive,

Defendants.

Case No. CVRI2400968

**DECLARATION OF RYAN SLINGER,
ESQ. IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

Date: May 12, 2025
Time: 8:30 am
Reservation #: 783834452041

Judge: Hon. Harold W. Hopp
Dept.: 1

1 I, Ryan Slinger, Esq., declare as follows:

2 1. I am over eighteen years of age and if called as a witness, I could and would competently
3 testify to the following facts from my own personal knowledge. I am an attorney-at-law at Lawyers *for*
4 Justice, PC. Lawyers *for* Justice, PC has fully and actively participated in the litigation process
5 throughout the pendency of this matter, and since joining forces with and associating the attorneys at
6 JCL Law Firm, APC and Zakay Law Group, APLC as co-counsel, we have worked cooperatively with
7 them to strategize and prosecute the case, and our work with them has been a coordinated and combined
8 effort. Together, Lawyers for Justice, PC, JCL Law Firm, APC, and Zakay Law Group, APLC are
9 referred to as “Class Counsel.” I am co-counsel for Plaintiff ALEXIS TOPETE-HERNANDEZ
10 (“Plaintiff”) in this wage and hour class action filed against THE PEGGS COMPANY, INC.
11 (hereinafter “Defendant”).

12 2. This declaration is being submitted in support of Plaintiff’s Motion for Preliminary
13 Approval of Class and PAGA Action Settlement.

14 I. EXHIBITS

15 3. Attached hereto as **Exhibit “1”** is a true and correct copy of the fully executed Stipulation
16 of Settlement of Class and PAGA Action Claims and Release of Claims (“Agreement” or “Settlement
17 Agreement”). Attached as **Exhibit “A”** to the Agreement is a true and correct copy of the proposed
18 Class Notice. Attached as **Exhibit “B”** to the Agreement is a true and correct copy of the proposed
19 Request for Exclusion Form. Attached as **Exhibit “C”** to the Agreement is a true and correct copy of
20 the proposed Objection Form.

21 4. Attached hereto as **Exhibit “2”** is a true and correct copy of the proof of filing with the
22 Labor and Workforce Development Agency notice of this settlement with the Settlement Agreement
23 evidencing Class Counsel’s compliance with California Labor Code Section 2699(1)(2).

24 5. Attached hereto as **Exhibit “3”** is a true and correct copy of the bid for settlement
25 administration submitted by Apex Class Action LLC, in the amount of \$6,900. Class Counsel requested
26 bids from three (3) settlement administration companies and received the lowest bid from Apex Class
27 Action LLC.

28 II. INTRODUCTION

6. An objective evaluation of the Settlement confirms that the relief negotiated on behalf of the Class is fair, reasonable, and adequate. The Settlement was negotiated by the Parties at arm's length. The Settlement confers substantial benefits to the Class. The relief offered by the Settlement is particularly impressive when viewed against the difficulties encountered by plaintiffs pursuing wage and hour cases (*see infra*). Indeed, by settling now rather than proceeding to trial, Class Members will not have to wait (possibly years) for relief, nor will they have to bear the risk of class certification being denied or of Defendant prevailing at trial. Given that there are approximately 279 Class Members, **the average gross recovery is approximately \$1,280.82** (Net Settlement Amount divided by Class Members). The range of settlement awards will be provided when Plaintiff moves for final approval of the Settlement.

7. As discussed below, the proposed Settlement satisfies all criteria for preliminary settlement approval and falls within the range of reasonableness. The average Individual Settlement Payment to the Class meets awards in similar wage and hour class actions. Moreover, the proposed Class is appropriate for provisional certification. Accordingly, Plaintiff respectfully requests the Court grant preliminary approval of the Settlement.

III. FACTS AND PROCEDURE

A. Overview of the Litigation

8. Defendant designs and manufactures shopping carts, merchandising displays, and retail equipment in Riverside County, where Plaintiff worked. Plaintiff worked for Defendant in California from approximately January 2021, to approximately December 2021. During his employment, Plaintiff claims that he was denied legally compliant meal and rest periods, as well as wages, including overtime compensation. Throughout his employment, Plaintiff was subject to Defendant's written policies and procedures.

9. Generally, Plaintiff claims that Defendant failed to provide compliant meal and rest periods, failed to pay for all time worked, failed to reimburse necessary business expenses, and failed to furnish accurate, itemized wage statements. Defendant denies liability for each of Plaintiff's claims. Further, Defendant asserts that it fully complied with all applicable employment laws and raised several other significant defenses to Plaintiff's claims, including but not limited to, asserting that it maintained

1 facially compliant meal and rest period policies, paid its employees for all hours worked, and properly
2 reimbursed all necessary business expenses.

3 10. On December 18, 2023, Plaintiff provided written notice to Defendant and the Labor and
4 Workforce Development Agency (“LWDA”) of the specific provisions of the California Labor Code
5 that Defendant violated (“PAGA Notice”). Plaintiff’s PAGA Notice set forth the facts and theories
6 supporting Defendant’s alleged violations of various provisions of the California Labor Code and
7 applicable Industrial Welfare Commissions (“IWC”) Wage Order and of his intent to pursue claims
8 under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections 2698 *et seq*
9 (“PAGA”).

10 11. On February 22, 2024, Plaintiff filed a Class Action Complaint for Damages &
11 Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. in the
12 Riverside County Superior Court, Case No. CVRI2400968 (“Action”). The Action alleged eleven
13 causes of action against Defendant for: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid
14 Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period
15 Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4)
16 Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5)
17 Violation of California Labor Code §§ 201, 202, and 203 (Final Wages Not Timely Paid); (6) Violation
18 of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of
19 California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor
20 Code § 1174(d) (Failure To Keep Requisite Payroll Records); (9) Violation of California Labor Code
21 § 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business &
22 Professions Code §§ 17200, *et seq*; and (11) Violation of the Private Attorneys General Action (Cal.
23 Lab. Code § 2698, *et seq*).

24 12. The Parties agreed early to mediate this Action. To prepare for mediation, the Parties
25 agreed to informally exchange additional documents and data points subject to the mediation privilege,
26 including but not limited to, the Class Members’ time data and certain payroll data points.

27 13. On September 30, 2024, the Parties participated in a full day mediation with Michael D.
28 Young, Esq., a mediator of wage and hour class and PAGA actions. The mediation concluded with a

1 settlement after both sides agreed to a Mediator's proposal, which was subsequently memorialized in
2 the form of a Memorandum of Understanding. Thereafter, the Parties drafted and negotiated a long-
3 form settlement agreement, which is the subject of the instant motion.

4 ///

5 ///

6 **B. Class Counsel Thoroughly Investigated the Factual and Legal Issues**

7 14. Before filing the Action, Lawyers *for* Justice, PC began its pre-filing investigation into
8 Plaintiff's complaints. Lawyers *for* Justice, PC's investigation started with several lengthy interviews
9 with Plaintiff. As part of the interview process, the Plaintiff produced documents related to his
10 employment. Lawyers *for* Justice, PC subsequently determined that Plaintiff's complaints justified
11 further inquiry.

12 15. Lawyers *for* Justice, PC then requested Plaintiff's employee files from Defendant. In
13 response, Defendant produced several documents, including but not limited to, copies of Plaintiff's
14 payroll records and various company policies. Lawyers *for* Justice, PC reviewed and analyzed the
15 documents and determined the documents appeared to substantiate Plaintiff's claims that Defendant
16 failed to, among other things, provide compliant meal and rest periods, and failed to pay for all hours
17 worked, and failed to furnish accurate itemized wage statements.

18 16. To prepare for mediation, Defendant produced time and payroll records for nearly 100%
19 of the Class Members, aggregate workweek and pay period data for the Class Members, average hourly
20 rate for the Class Members, number of current Class Members, number of former Class Members who
21 were employed during the Class Period, and copies of applicable handbooks, policies, and agreements.
22 In total, Lawyers *for* Justice, PC reviewed dozens of files and pages of documents of time and payroll
23 data.

24 17. Lawyers *for* Justice, PC analyzed Defendant's time and payroll data and developed a
25 damage model. Among other things, Lawyers *for* Justice, PC estimated the amount in unpaid wages,
26 including unpaid overtime wages, and estimated number of meal and rest break violations and resulting
27 damages therefrom during the Class Period.

1 18. Overall, Class Counsel thoroughly investigated the claims at issue, including: (1)
2 determining Plaintiff's suitability as a putative class representative through interviews, background
3 investigations, and analysis of his employment files; (2) evaluating all of Plaintiff's potential claims;
4 (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions,
5 and the type of employer; (4) analyzing the Class's time and payroll records; (5) analyzing Defendant's
6 labor policies and practices; (6) researching settlements in similar cases as well as outstanding issues
7 which could affect settlement approval; (7) evaluating Plaintiff's claims and estimating Defendant's
8 liability for purposes of settlement; (8) drafting the mediation brief; and (9) participating in the
9 mediation. This investigation allowed Lawyers *for* Justice, PC to fully assess the nature and magnitude
10 of the claims being settled, as well as the impediments to recovery, such as to make an independent
11 assessment of the reasonableness of the terms to which the Parties have agreed.

12 19. Class Counsel only agreed to enter the Settlement following this thorough investigation
13 and evaluation of Plaintiff's claims. Based on their investigation of the facts, applicable law, and
14 marketplace for similar settlements, and considering the risk of significant delay and uncertainty
15 associated with litigation, and the various defenses asserted by Defendant, Class Counsel firmly believe
16 this Agreement to be in the best interests of the Class Members. Because the Settlement's terms are
17 fair, reasonable, and adequate, the Court should preliminarily approve the Settlement.

18 **C. The Proposed Settlement Fully Resolves Plaintiff's Claims**

19 20. For tax purposes, Individual Class Payments shall be allocated and treated as follows:
20 20% as wages ("Wage Portion"); 80% as penalties and interest ("Non-Wage Portion"). The Wage
21 Portion is subject to wage withholdings and shall be reported on IRS Form W-2. The Non-Wage Portion
22 shall not be subject to wage withholdings and shall be reported on IRS Form 1099. Agreement at §
23 III(M)(3). In calculating Defendant's total damages exposure, Class Counsel determined that the vast
24 majority of damages are for meal and rest premiums, as well as interest, which can be classified as
25 penalties and not wages. Therefore, with the uncertainty regarding how meal and rest premiums would
26 be classified, the Parties agreed that an allocation of 20% as wages and 80% as penalties and interest is
27 fair and reasonable.

28 **IV. ARGUMENT**

1 **A. The Court Should Preliminarily Approve the Settlement**

2 21. The Parties participated in mediation with mediator Michael Young, Esq. Mediator
3 Young managed the Parties' expectations and provided a useful, neutral analysis of the issues and risks
4 to both sides. (*In re Apple Computer, Inc. Derivative Litig*, No. C 06-4128 JF (HRL), 2008 U.S. Dist.
5 LEXIS 108195 (N.D. Cal. Nov. 5, 2008) (mediator's participation weighs considerably against any
6 inference of a collusive settlement); *D'Amato v. Deutsche Bank* (2d. Cir. 2001) 236 F.3d 78, 85 (a
7 "mediator's involvement in pre-certification settlement negotiations helps to ensure that the
8 proceedings were free of collusion and undue pressure.")) After a full day of mediated negotiations,
9 the Parties accepted the Mediator's proposal and the mediation session concluded with a settlement.

10 22. Once the Parties reached a settlement, they engaged in protracted negotiations regarding
11 the written terms of the class action settlement. The Parties maintained the arm's length, non-collusive
12 and adversarial negotiations while arriving at the final terms of the Settlement. The Agreement is the
13 final product of these settlement negotiations. Objectively, the Settlement terms are fair, adequate and
14 represent a reasonable compromise of the claims at issue.

15 23. As set forth in greater detail above, Lawyers *for* Justice, PC conducted a very thorough
16 investigation into the factual and legal issues in dispute. In addition to informal discovery, document
17 review, data analysis and legal research, Lawyers *for* Justice, PC also researched similar wage and hour
18 actions. Although no two cases are identical, this research provided Lawyers *for* Justice, PC with a
19 marker to inform settlement discussions and, ultimately, to measure this settlement against. The
20 investigation allowed Lawyers *for* Justice, PC to realistically assess the value of Plaintiff's claims and
21 intelligently engage defense counsel in settlement discussions that culminated in the proposed
22 settlement now before the Court.

23 24. Class Counsel only agreed to enter the Settlement following their thorough investigation
24 and evaluation of Plaintiff's claims. Based on this investigation of the facts, applicable law, and
25 marketplace for similar settlements, and considering the risk of significant delay, uncertainty associated
26 with litigation, and the various defenses asserted by Defendant, Class Counsel firmly believes this
27 Agreement to be in the best interests of the Class Members. Because the Settlement's terms are fair,
28 reasonable, and adequate, the Court should preliminarily approve the Settlement.

1 25. The Gross Settlement Amount of \$795,000.00 is fair and reasonable considering the
2 nature and magnitude of the claims being settled and the various potential impediments to recovery.
3 Lawyers *for* Justice, PC worked with a third party to review the data produced by Defendant and develop
4 economic damage models measuring Defendant's liability exposure while accounting for the uncertainties
5 of continued litigation. Based on data provided by Defendant at mediation and extrapolated by Plaintiff,
6 the total number of putative class members during the period from February 22, 2020, to November 1,
7 2024, was estimated to be approximately 279 individuals who worked an estimated total of 26,000
8 workweeks with an average hourly rate of pay of \$20.31. Lawyers *for* Justice, PC calculated the
9 potential and realistic values of each claim as follows:

- 10 a. Failure to Pay Overtime Wages: The potential value of this claim was estimated to be
11 \$1,584,440.00 (26,000 workweeks x 2 hours of unpaid overtime wages x overtime
12 hourly rate of \$30.47, which is based on the average hourly rate of \$20.31). At this
13 juncture, a discount of 55% was applied to account for the risks associated with
14 obtaining and maintaining class certification (bringing the value of this claim closer
15 to \$712,998.00), a discount of 65% was applied to account for the risks associated
16 with succeeding on the merits and establishing liability (bringing the value of this
17 claim closer to \$249,549.30), and a discount of 70% was applied to account for the
18 risks associated with proving the extent of damages and obtaining an award thereof
19 (bringing the value of this claim closer to \$74,864.79).
- 20 b. Failure to Pay Minimum Wages: The potential value of this claim was estimated to
21 be \$528,060.00 (26,000 workweeks x 1 hour of unpaid minimum wages x average
22 hourly rate of \$20.31). At this juncture, a discount of 55% was applied to account for
23 the risks associated with obtaining and maintaining class certification (bringing the
24 value of this claim closer to \$237,627.00, a discount of 65% was applied to account
25 for the risks associated with succeeding on the merits and establishing liability
26 (bringing the value of this claim closer to \$83,169.45), and a discount of 70% was
27 applied to account for the risks associated with proving the extent of damages and
28 obtaining an award thereof (bringing the value of this claim closer to \$24,950.84).

- 1 c. Failure to Provide Compliant Meal Periods and Associated Premiums: The potential
2 value of this claim was estimated to be \$1,584,180.00 (26,000 workweeks x 3 meal
3 period premium x average hourly rate of \$20.31). At this juncture, a discount of 55%
4 was applied to account for the risks associated with obtaining and maintaining class
5 certification (bringing the value of this claim closer to \$712,881.00), a discount of
6 65% was applied to account for the risks associated with succeeding on the merits and
7 establishing liability (bringing the value of this claim closer to \$249,508.35), and a
8 discount of 70% was applied to account for the risks associated with proving the
9 extent of damages and obtaining an award thereof (bringing the value of this claim
10 closer to \$74,852.51).
- 11 d. Failure to Provide Compliant Rest Periods and Associated Premiums: The potential
12 value of this claim was estimated to be \$2,112,240.00 (26,000 workweeks x 4 rest
13 period premiums x average hourly rate of \$20.31). At this juncture, a discount of 50%
14 was applied to account for the risks associated with obtaining and maintaining class
15 certification (bringing the value of this claim closer to \$1,056,120.00), a discount of
16 65% was applied to account for the risks associated with succeeding on the merits and
17 establishing liability (bringing the value of this claim closer to \$369,642.00), and a
18 discount of 70% was applied to account for the risks associated with proving the
19 extent of damages and obtaining an award thereof (bringing the value of this claim
20 closer to \$110,892.60).
- 21 e. Failure to Timely Pay Wages During Employment: The value of this claim is
22 considered as a part of the valuation of the PAGA claim contained *infra*.
- 23 f. Failure to Timely Pay Wages After Termination (and Waiting-Time Penalties): Based
24 on information and data provided by Defendant, it was estimated that approximately
25 121 putative class members had been terminated during the three-year statute of
26 limitations (i.e., from February 22, 2021). Assuming that these individuals were not
27 timely paid all wages due to them upon termination, the potential value of waiting-
28 time penalties was estimated to be \$589,802.40 collectively (121 individuals x [30

1 days x hourly rate of \$20.31 x 8 hours]], or approximately \$4,874.40 per individual.
2 At this juncture, a discount of 50% was applied to account for the risks associated
3 with obtaining and maintaining class certification (bringing the value of this claim
4 closer to \$294,901.20), a discount of 65% was applied to account for the risks
5 associated with succeeding on the merits and establishing liability (bringing the value
6 of this claim closer to \$103,215.42), and a discount of 65% was applied to account
7 for the risks associated with proving the extent of damages and obtaining an award
8 thereof (bringing the value of this claim closer to \$36,125.40).

9 g. Failure to Provide Compliant Wage Statements: The potential value of this claim was
10 calculated to be \$458,250.00 ([181 initial violations x \$50 statutory penalty] + [4,492
11 subsequent violations x \$100 statutory penalty]). At this juncture, a discount of 50%
12 was applied to account for the risks associated with obtaining and maintaining class
13 certification (bringing the value of this claim closer to \$229,125.00), a discount of
14 65% was applied to account for the risks associated with succeeding on the merits and
15 establishing liability (bringing the value of this claim closer to \$80,193.75), and a
16 discount of 70% was applied to account for the risks associated with proving the
17 extent of damages and obtaining an award thereof (bringing the value of this claim
18 closer to \$24,058.13).

19 h. Failure to Maintain Payroll Records: Arguably, civil penalties would only be
20 recoverable by the Labor Commissioner, therefore, the value of this claim is
21 considered as a part of the valuation of the PAGA claim contained *infra*.

22 i. Failure to Reimburse Necessary Business Expenses: The potential value of this claim
23 was estimated to be \$218,400.00 (26,000 workweeks x \$8.40 unreimbursed business
24 expenses). At this juncture, a discount of 50% was applied to account for the risks
25 associated with obtaining and maintaining class certification (bringing the value of
26 this claim closer to \$109,200.00), a discount of 65% was applied to account for the
27 risks associated with succeeding on the merits and establishing liability (bringing the
28 value of this claim closer to \$38,220.00), and a discount of 70% was applied to

1 account for the risks associated with proving the extent of damages and obtaining an
2 award thereof (bringing the value of this claim closer to \$11,466.00).

3 j. PAGA Penalties: The amount of civil penalties at issue, which the Court could
4 determine whether or not to assess and whether or not to reduce based on the facts
5 and circumstances of the case (to avoid an award that is unjust, arbitrary and
6 oppressive, or confiscatory, pursuant to California Labor Code section 2699(e)(2)),
7 were estimated to be approximately \$320,250.00 (183 aggrieved employees estimated
8 to have worked during one-year statutory period x \$1,750 civil penalties). At this
9 juncture, a discount of 20% was applied to account for the risks associated with
10 possible bifurcation of discovery and/or trial (bringing the value of this claim closer
11 to \$256,200.00), a discount of 25% was applied to account for the risks associated
12 with succeeding on the merits and establishing liability (bringing the value of this
13 claim closer to \$192,150.00), and a discount of 40% was applied to account for the
14 risks associated with the Court's discretion to reduce civil penalties and obtaining an
15 award of civil penalties (bringing the value of this claim closer to \$115,290.00).

16 **B. Litigation Risks**

17 26. With respect to the most immediate challenge, i.e., class certification, the risks attendant
18 to the certification of similar wage and hour claims are demonstrated by *Magadia v. Wal-Mart*
19 *Associates, Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit vacated, reversed, and remanded
20 a \$110 million judgement against an employer for, *inter alia*, inaccurately paying overtime, and directed
21 the trial court to enter judgement in favor of the employer. *See also O'Conner v. Uber Technologies,*
22 *Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification action); *see also*
23 *Duran v. U.S. Bank National Association* (2014) 59 Cal.4th 1, 31 (reversing a trial verdict in favor
24 plaintiffs in a wage and hour class action)); *Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th
25 1077, 1088 (“[T]he reason, if any, that employees might not take their breaks were predominantly
26 individualized questions of fact not susceptible to class treatment.”); *a.S.A. Cab Ltd.* (2009) 176
27 Cal.App.4th 1333, 1341 (affirming denial of certification because employees’ declarations attesting to
28 having taken meal and rest breaks demonstrated that individualized inquiries were required to show

1 harm); *Campbell v. Best Buy Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217 at *11-13 (following
2 *Brinker* and denying certification of proposed off-the-clock and rest and meal break classes due to lack
3 of uniform policy); *Brown v. Fed Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying
4 certification of driver meal and rest period claims based on the predominance of individual issues).
5 Collectively, the examples cited above illustrate the uncertain nature of class litigation. Consequently,
6 the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring
7 settlement.

8 27. Finally, continuing to litigate this action would require continued and extensive resources
9 coupled with significant Court time to proceed through trial and post-trial motions; which can often
10 take years. Furthermore, wage-and-hour litigation is complex and expensive, as it often necessitates
11 extensive expert testimony, particularly with regards to damages. But even if Plaintiff is successful at
12 trial, Plaintiff is acutely aware that a judgment does not end the litigation. Plaintiff fully expects that
13 Defendant would appeal any favorable judgment. As demonstrated by *Magadia, supra*, 999 F.3d 668,
14 the risk of an appeal and subsequent reversal is real.

15 **C. Proposed Notice Packet Informs the Class About the Case and Settlement**

16 28. The Parties jointly drafted the Notice Packet which fairly and neutrally informs the Class
17 Members of their rights and remedies. The Settlement Administrator will first verify addresses, then
18 mail the proposed Class Notice to all Class Members. The Notice Packet will include information
19 regarding the nature of the lawsuit, a summary of the substance of the Settlement's terms, the class
20 definition, the procedure, and time period within which to requests for exclusions or objections to the
21 Settlement, the date for the final approval hearing, the formula used to calculate settlement payments,
22 and the terms and scope of the Released Class Claims and Released PAGA Claims. Agreement at §
23 III(L)(2). The Parties negotiated this method to ensure delivering the most reasonable method of notice
24 to the Class Members while ensuring cost effective administration of the Settlement.

25 29. Accordingly, both the method of disseminating the Class Notice and content of the Class
26 Notice satisfy due process. (See C.R.C. 3.776(e)-(f); *State of Cal. v. Levi Strauss* (1986) 41 Cal.3d
27 460,485 (the class notice must "fairly apprise the class members of the terms of the proposed
28 compromise and of the options open to dissenting class members."))

1 **D. The Court Should Preliminarily Approve the Enhancement Award**

2 30. The Settlement provides for a Class Representative Service Award of \$7,500 for Plaintiff.
3 The service award is fair and reasonable compensation for the Plaintiff's efforts bringing the action,
4 assisting Class Counsel with the litigation and settlement, regularly conferring with Class Counsel on
5 the status of his case and the strategies for prosecuting the claims, reviewing the proposed Settlement
6 to ensure that its terms are fair and provide adequate relief for the Class, and for providing a general
7 release of claims to Defendant in exchange for the Class Representative Service Award.

8 31. Class Counsel on behalf of Plaintiff will file a formal motion for the negotiated Class
9 Representative Service Award once preliminary approval of the Settlement is granted. Such motion
10 will be accompanied by a declaration from Plaintiff that describes the services he performed to
11 prosecute this action, includes an estimate of time incurred by Plaintiff in performing these services,
12 the risks he assumed or benefits he received in prosecuting this action, and identify any adverse
13 consequences he suffered in prosecuting this action. Plaintiff has **not** negotiated any settlement of
14 individual claims with Defendant separate from the settlement at bar.

15 32. Plaintiff respectfully submits that the above showing is sufficient for preliminary
16 approval of the negotiated Class Representative Service Award.

17 **E. The Court Should Preliminary Approve the Negotiated Class Counsel Award**

18 33. Class Counsel took this matter on a contingency fee basis and invested significant time
19 and expense successfully prosecuting Plaintiff's claims. As discussed *supra*, the estimated average
20 Individual Class Payment illustrates the demonstrably positive outcome for the Class Members.
21 Considering the positive outcome for the Class Members, and in light of the supporting authority, the
22 proposed Class Counsel Award is fair and reasonable.

23 34. Plaintiff will file a formal motion for the negotiated Class Counsel Award once
24 preliminary approval of the Settlement is granted. Such motion will be accompanied by a declaration
25 that provides evidence of the total amount of time spent by Class Counsel, a description of the work
26 performed, and the reasonableness of the fees charged. Such declaration will also include a detailed
27 description of the costs actually incurred. This declaration will include details related to fee splitting
28

1 between Class Counsel, and Plaintiff's written notice of such. Plaintiff respectfully submits that the
2 above showing is sufficient for preliminary approval of the negotiated attorneys' fees.

3 **F. The Court Should Provisionally Certify the Class**

4 35. For Settlement purposes, Plaintiff contends, and Defendant does not dispute, that
5 provisional certification of the Class is appropriate.

6 36. Because all Class Members are Defendant's current and former employees, the class is
7 readily ascertainable from Defendant's regular business records, i.e., payroll records.

8 37. The statutes relating to each of Plaintiff's claims apply with equal force and effect to the
9 entire Class. Factually, Defendant's policies and practices apply class-wide and Defendant's liability
10 can be determined by facts common to all members of the class. The wage and hour issues are both
11 numerous and substantial, and a class action is the most advantageous method of dealing with the claims
12 of the Class.

13 38. Plaintiff's wage and hour claims are typical of the proposed Class because they arise from
14 the same factual basis and are based on the same legal theories applicable to the other Class Members.
15 Likewise, Plaintiff's interests are entirely coextensive with the interests of the Class. Plaintiff alleges
16 that he was injured by the same company-wide practices to which the proposed Class Members were
17 subject to and seek the same relief. Plaintiff has already demonstrated his ability to advocate for the
18 interests of the Class Member by initiating this litigation, undertaking extensive class discovery, and
19 evaluating the proposed settlement to assure that it is fair.

20 39. A class action is superior to a multitude of individual lawsuits. Given the size and amount
21 of each individual claim, the Class Members likely have little incentive to litigate their claims on an
22 individual basis because the out-of-pocket expense and personal commitment necessary to litigate each
23 claim outweighs any potential recovery. In sum, class treatment is superior to individual, case-by-case
24 adjudication.

25 **G. Class Counsel's Experience**

26 40. Additionally, Plaintiff is represented by competent Class Counsel who have extensive
27 experience in litigating wage and hour class action cases. Class Counsel successfully briefed, argued,
28 certified, and gained state court settlement approval of the same class-wide causes of action that are at

1 issue in this case. Class Counsel's wage and hour class action experience establishes that they are well
2 qualified to represent the interests of this Class.

3 41. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the
4 prosecution of consumer and employment class actions, involving wage-and-hour claims, race
5 discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is
6 attorney of record in over a dozen employment-related putative class actions in both state and federal
7 courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on
8 litigating complex wage-and-hour class and PAGA representative actions. The firm has successfully
9 litigated cases involving the executive, administrative, and other overtime exemptions to the State of
10 California and federal overtime compensation requirements. During a relatively short time, in
11 association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of
12 thousands of individuals in California. Below is a summary of the experience and qualifications of the
13 attorneys at Lawyers *for* Justice, PC who most recently and primarily have been responsible for the
14 representation of Plaintiff in connection with the resolution of above-captioned matter. Additional
15 attorney and non-attorney staff have also worked on the above-captioned matter.

16 42. Edwin Aiwarzian is the Managing Member and Shareholder of Lawyers *for* Justice, PC.
17 He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris
18 Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal
19 training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of
20 its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono
21 mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation
22 Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal
23 Writing at Harvard University. From approximately September 2002 to approximately December 2002,
24 he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of
25 Appeals for the Ninth Circuit. From approximately June 2002 to approximately August 2002, he served
26 as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second
27 Appellate District. In December of 2004, he obtained a license to practice law from the California State
28 Bar. Since in or around October of 2008, through his work at Lawyers *for* Justice, PC, he has almost

1 exclusively focused on the prosecution of consumer and employment class actions. Together with other
2 attorneys at the firm, and in many cases in conjunction with co-counsel, he has successfully litigated
3 cases involving the executive, administrative, and other overtime exemptions to the State of California
4 and federal overtime compensation requirements. Under his supervision, Lawyers for Justice, PC has
5 successfully obtained class certification by contested motion practice in numerous cases in the last
6 decade and litigated over 1,000 class action or representative action cases.

7 43. Arby Aiwarzian is a Member and Shareholder of Lawyers *for* Justice, PC. He received his
8 Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude.
9 He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May
10 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of
11 the California Court of Appeal for the Second Appellate District. From approximately August 2008 to
12 approximately December 2008 he served as a Judicial Extern to the Honorable Kim McLane Wardlaw
13 of the United State Court of Appeals for the Ninth Circuit. He was admitted to practice law in California
14 in 2010. He is admitted to practice before all courts of the State of California and all United States
15 District Courts in the State of California. He has worked on many wage-and-hour class action and
16 representative action cases, taking the lead in taking and defending depositions, arguing motions, and
17 attending mediations. He has played an integral role in preparing matters for class certification,
18 including and not limited to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles
19 County Superior Court Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County
20 Superior Court Case No. BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior
21 Court Case No. RG13680477). He has worked on over one hundred (100) class action or representative
22 action cases which have resulted in settlement, including and not limited to those listed in paragraph 7
23 herein.

24 44. Joanna Ghosh is a Senior Member of Lawyers *for* Justice, PC. She received a Bachelor
25 of Arts degree from California State University, Los Angeles in 2006, a Master of Science degree from
26 the London School of Economics in 2007, and a Juris Doctor degree from Georgetown University Law
27 Center in 2010. She is admitted to practice in California (since 2010) and in New York (since 2013)
28 and is also admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for

1 the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of
2 depositions and successfully handled motion practice in class action cases regarding discovery
3 (including and not limited to, regarding class contact information), class certification (both contested
4 class certification and stipulated class certification), arbitration agreements, coordination, intervention.
5 She has successfully handled briefing and oral argument on appeal, and obtained notable decisions
6 regarding the Private Attorneys General Act and employer efforts to compel arbitration of PAGA
7 claims, e.g., *Betancourt v. Prudential Overall Supply*, 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017),
8 cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8
9 Cal.5th175 (2019). She also has extensive experience with class action and/or representative action
10 settlements. Under her, Edwin Aiwazian, and Arby Aiwazian's supervision, the firm has handled the
11 class certification and court approval process for hundreds of class action and/or representative action
12 matters that have successfully resolved. She is a member of the California Employment Lawyers
13 Association.

14 45. I am a Member of Lawyers for Justice, PC. I received my Bachelor of Arts degree from
15 the University of Michigan in 2020, and I earned my Juris Doctor degree from Loyola Law School in
16 2023. I was admitted to practice law in California in 2023. I have worked on many wage-and-hour class
17 action and PAGA representative cases, and my work on these cases has included preparing pleadings
18 and motions, making court appearances, drafting and finalizing settlement agreements.

19 I declare under the penalty of perjury under the laws of the State of California that the foregoing
20 is true and correct. Executed this 27th day of March 2025, at Glendale, California.

21
22 **LAWYERS FOR JUSTICE, PC**

23 By: 
24 Ryan Slinger
25 Attorneys for Plaintiff
26
27
28

EXHIBIT 1

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)

5440 Morehouse Drive, Suite 3600

San Diego, CA 92121

Telephone: (619) 599-8292

jlapuyade@jcl-lawfirm.com

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)

5440 Morehouse Drive, Suite 3600

San Diego, CA 92121

Telephone: (619) 255-9047

shani@zakaylaw.com

Attorneys for Plaintiff ALEXIS TOPETE-HERNANDEZ

(Additional Counsel on next page)

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF RIVERSIDE

ALEXIS TOPETE-HERNANDEZ,
individually, and on behalf of other members
of the general public similarly situated and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act;

Plaintiff,

vs.

THE PEGGS COMPANY, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No. CVRI2400968

[Complaint Filed: February 22, 2024]

**STIPULATION OF SETTLEMENT OF
CLASS AND PAGA ACTION CLAIMS
AND RELEASE OF CLAIMS**

1 **LAWYERS for JUSTICE, PC**

2 Elizabeth Parker-Fawley (SBN 301592)

3 Ryan Slinger (SBN 351297)

410 West Arden Avenue, Suite 203

Glendale, California 91203

Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff ALEXIS TOPETE-HERNANDEZ

6 **MEDINA MCKELVEY LP**

7 Alex Medina (SBN: 222015)

Kyle Owen (SBN 326335)

925 Highland Pointe Drive, Suite 300

Roseville, California 95678

Telephone: (916) 960-2211

Attorneys for Defendant THE PEGGS COMPANY, INC.

1 This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is
2 entered into by and between plaintiff ALEXIS TOPETE-HERNANDEZ (hereinafter “Plaintiff”), an
3 individual, on behalf of the Settlement Class, and in his representative capacity on behalf of the State
4 of California and the Aggrieved Employees, and Defendant THE PEGGS COMPANY, INC., a
5 California Corporation (“Defendant”):

6 **I. DEFINITIONS**

7 A. “Action” shall mean the putative class action lawsuit designated *Alexis Topete-*
8 *Hernandez v. The Peggs Company, Inc. et seq.*, Riverside County Superior Court,
9 Case No. CVRI2400968, filed February 22, 2024.

10 B. “Aggrieved Employees” shall mean all current and former hourly-paid or non-exempt
11 employees employed by Defendant in California at any time during the PAGA Period.

12 C. “Aggrieved Employee Payment” shall mean the twenty-five (25%) of the PAGA
13 Payment (\$28,750) allocated and distributed to the Aggrieved Employees.

14 D. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
15 Class and PAGA Action Claims and Release of Claims.

16 E. “Class Counsel” shall mean Elizabeth Parker-Fawley, Esq. and Ryan Slinger, Esq. of
17 Lawyers for Justice, PC, Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC and
18 Shani Zakay of Zakay Law Group, APLC.

19 F. “Class Counsel Award” means the award of fees and expenses that the Court
20 authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff
21 and the Class in the Action, consisting of attorneys’ fees currently not to exceed ^{35%} ~~one-~~
22 ~~third~~ of the Gross Settlement Amount currently estimated to be \$278,250 out of
23 \$795,000.00, plus costs and expenses in the amount of \$30,000.00. Class Counsel’s
24 award for attorneys’ fees will be divided between Class Counsel as follows (85% to
25 Lawyers for Justice, PC, 7.5% to JCL Law Firm, APC and 7.5% to Zakay Law
26 Group, APLC).

27 G. “Class Data” means information regarding Class Members that Defendant will in
28 good faith compile from its records and provide to the Settlement Administrator. It

1 shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class
2 Member's full name; last known address; Social Security Number; start dates and end
3 dates of employment, and Workweeks worked during the class period (as calculated
4 based on actual hours worked).

5 H. "Class Members" or the "Class" means all current and former hourly-paid or non-
6 exempt employees employed by Defendant in California at any time during the Class
7 Period.

8 I. "Class Period" means the period between February 22, 2020, through the earlier of
9 November 29, 2024, or the Alternative End Date.

10 J. "Class Representative" shall mean plaintiff Alexis Topete-Hernandez.

11 K. "Class Representative Service Award" means the amount that the Court authorizes to
12 be paid to the Class Representative in recognition of his efforts and risks in assisting
13 with the prosecution of the Action.

14 L. "Court" means the Superior Court for the State of California, County of Riverside
15 currently presiding over the Action.

16 M. "Defendant" shall mean The Peggs Company, Inc.

17 N. "Effective Date" means the date of entry by the Court of an order and judgment finally
18 approving this Settlement.

19 O. "Funding Date" shall mean thirty (30) calendar days after the Effective Date and is
20 the date Defendant transfers the Gross Settlement Amount into the QSF in accordance
21 with the terms of this Agreement.

22 P. "Gross Settlement Amount" means Seven Hundred Ninety-Five Thousand Dollars
23 and Zero Cents (\$795,000.00) that Defendant must pay into the QSF in connection
24 with this Settlement, inclusive of the sum of the Individual Settlement Payments, the
25 Class Representative Service Award, the Class Counsel Award, PAGA Payment and
26 the Settlement Administration Expenses and *exclusive* of the employer's share of
27 payroll tax, if any, triggered by any payment under this Settlement.

28 ///

- 1 Q. "Individual Settlement Payment" means the amount payable from the Net Settlement
2 Amount to each Settlement Class Member and excludes any amounts distributed to
3 Aggrieved Employees pursuant to PAGA.
- 4 R. "LWDA Payment" shall mean the seventy-five percent (75%) of the PAGA Payment
5 (\$86,250) allocated to the California Labor and Workforce Development Agency.
- 6 S. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less Class
7 Counsel Award, Class Representative Service Award, PAGA Payment, and
8 Settlement Administration Expenses.
- 9 T. "Notice Packet" means the Class Notice to be provided to the Class Members by the
10 Settlement Administrator in the form set forth as Exhibit A to this Agreement (other
11 than formatting changes to facilitate printing by the Settlement Administrator).
- 12 U. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
13 Labor Code § 2698 *et seq.*
- 14 V. "PAGA Payment" shall mean One Hundred and Fifteen Thousand Dollars and Zero
15 Cents (\$115,000.00) to be allocated from the Gross Settlement Amount in settlement
16 of the Released PAGA Claims.
- 17 W. "PAGA Payment Ratio" means the respective PAGA Pay Periods during the PAGA
18 Period for each Aggrieved Employee divided by the sum total of the PAGA Pay
19 Periods for all Aggrieved Employees during the PAGA Period.
- 20 X. "PAGA Pay Periods" for purposes of calculating the distribution of the Aggrieved
21 Employee Payment, as defined herein, means the number of pay periods of
22 employment during the PAGA Period that each Aggrieved Employee worked in
23 California.
- 24 Y. "PAGA Period" means the period between December 18, 2022, through the earlier of
25 November 29, 2024 or the Alternative End Date.
- 26 Z. "Parties" means Plaintiff and Defendant, collectively, and "Party" shall mean either
27 Plaintiff or Defendant, individually.

28 ///

- 1 AA. "Payment Ratio" means the respective Workweeks for each Class Member divided
2 by the sum total Workweeks for all Class Members.
- 3 BB. "Plaintiff" shall mean Alexis Topete-Hernandez.
- 4 CC. "QSF" means the Qualified Settlement Fund established, designated and maintained
5 by the Settlement Administrator to fund the Gross Settlement Amount.
- 6 DD. "Released Class Claims" means all claims alleged or which could have reasonably
7 been alleged based on the facts alleged in the Operative Complaint, which arose
8 during the Class Period, including the following claims: (1) unpaid overtime under
9 Labor Code sections 510 and 1198; (2) unpaid meal period premiums under Labor
10 Code sections 226.7 and 512(a) and the applicable IWC wage order; (3) unpaid rest
11 period premiums under Labor Code section 226.7 and the applicable IWC wage order;
12 (4) unpaid minimum wages under Labor Code sections 1194, 1197, and 1197.1; (5)
13 untimely final wages under Labor Code sections 201 and 202; (6) untimely wages
14 during employment under Labor Code section 204; (7) non-compliant wage
15 statements under Labor Code section 226(a); (8) failure to keep requisite payroll
16 records under Labor Code section 1174(d); (9) unreimbursed business expenses under
17 Labor Code sections 2800 and 2802; and (10) violation of California Business &
18 Professions code section 17200 *et seq.* arising from violations of the California Labor
19 Code released herein.
- 20 EE. "Released PAGA Claims" means all claims under the Private Attorneys General Act
21 (the "PAGA"), Labor Code section 2698, *et seq.*, alleged in the Operative Complaint
22 in the Action and Plaintiff's letter to the LWDA dated December 18, 2023, that arose
23 during the PAGA Period.
- 24 FF. "Released Party" or "Released Parties" shall mean Defendant and its present and
25 former officers, directors, and employees.
- 26 GG. "Response Deadline" means the date forty-five (45) days after the Settlement
27 Administrator mails Notice Packets to Class Members and the last date on which
28 Class Members may submit requests for exclusion or objections to the Settlement.

- 1 HH. "Settlement" means the disposition of the Action pursuant to this Agreement.
- 2 II. "Settlement Administrator" means Apex Class Action LLC, 18 Technology Drive,
- 3 Suite 164 Irvine, CA 92618. The Settlement Administrator establishes, designates
- 4 and maintains, as a QSF under Internal Revenue Code section 468B and Treasury
- 5 Regulation section 1.468B-1, into which the amount of the Gross Settlement Amount
- 6 is deposited for the purpose of resolving the claims of Settlement Class Members.
- 7 The Settlement Administrator shall maintain the funds until distribution in an
- 8 account(s) segregated from the assets of Defendant and any person related to
- 9 Defendant. *All accrued interest shall be paid and distributed to the Settlement Class*
- 10 *Members as part of their respective Individual Settlement Payment.*
- 11 JJ. "Settlement Administration Expenses" shall mean the amount to be paid for the costs
- 12 of administration of the Settlement from the Gross Settlement Amount in an amount
- 13 not to exceed \$6,900.
- 14 KK. "Settlement Class Members" or "Settlement Class" means all Class Members who
- 15 have not submitted a timely and valid request for exclusion as provided in this
- 16 Agreement.
- 17 LL. "Workweeks," for purposes of calculating the distribution of the Net Settlement
- 18 Amount, means the number of weeks of employment during the Class Period which
- 19 are calculated on a fulltime equivalent basis using actual hours worked during the
- 20 Class Period.

21 **II. RECITALS**

- 22 A. On December 18, 2023, Plaintiff filed a Notice of Violations with the Labor and
- 23 Workforce Development Agency (LWDA) and served the same on Defendant.
- 24 B. On February 22, 2024, Plaintiff filed the Class Action lawsuit for:
- 25 1. Failure to pay overtime wages in violation of California Labor Code sections
- 26 510 and 1198;
- 27 2. Failure to provide required meal periods in violation of California Labor Code
- 28 sections 226.7 and 512 and the applicable IWC wage order;

3. Failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC wage order;
4. Failure to pay minimum wages in violation of California Labor Code sections 1194, 1197 and 1197.1;
5. Failure to provide wages when due in violation of California Labor Code sections 201, 202 and 203;
6. Failure to provide wages when due in violation of California Labor Code section 204;
7. Failure to provide accurate itemized wage statements in violation of California Labor Code section 226;
8. Failure to keep requisite payroll records in violation of California Labor Code section 1174(d);
9. Failure to reimburse Plaintiff for required expenses in violation of California Labor Code sections 2800 and 2802;
10. Unfair Competition in Violation of Bus. and Prof. Code sections 17200 *et seq*;
- and
11. Violation of the Private Attorneys General Act in violation of California Labor Code sections 2698, *et seq*.

C. The Class Representative believes he has meritorious claims based on alleged violations of the California Labor Code, and the Industrial Wage Commission Orders, and that class certification is appropriate because the prerequisites for class certification can be satisfied in the Action, and this action is manageable as a PAGA representative action.

D. Defendant denies the allegations in the Action and denies any and all liability, including any liability for alleged failure to pay overtime compensation, failure to pay any wages, failure to pay gratuity payments, failure to provide meal and rest breaks, failure to provide accurate wage statements, or any other wage and hour or similar violation. This Settlement Agreement shall not be construed as an admission by

1 Defendant or any of the Releasees (as defined above) of any fault, liability or
2 wrongdoing, which Defendant expressly denies. Defendant further contends that, for
3 any purpose other than settlement, the Action is not appropriate for class or
4 representative action treatment. Defendant further contends, among other things, that
5 at all times it complied with the California Labor Code and the Industrial Wage
6 Commission Orders.

7 E. The Class Representative is represented by Class Counsel. Class Counsel investigated
8 the facts relevant to the Action, including conducting an independent investigation as
9 to the allegations, reviewing financial documents, and information exchanged through
10 informal discovery. Defendant produced for the purpose of settlement negotiations
11 certain employment data concerning the Settlement Class, which Class Counsel
12 reviewed and analyzed. Based on their own independent investigation and evaluation,
13 Class Counsel are of the opinion that the Settlement with Defendant is fair, reasonable
14 and adequate, and is in the best interest of the Settlement Class in light of all known
15 facts and circumstances, including the risks of significant delay, defenses asserted by
16 Defendant, uncertainties regarding class certification, and numerous potential
17 appellate issues. Although it denies any liability, Defendant agrees to this Settlement
18 solely to avoid the inconveniences and cost of further litigation. The Parties and their
19 counsel have agreed to settle the claims on the terms set forth in this Agreement.

20 F. On September 30, 2024, the Parties participated in mediation presided over by
21 Michael D. Young, Esq., a respected and experienced mediator of wage and hour
22 class actions. The mediation concluded in settlement after both sides agreed to a
23 Mediator's proposal which was subsequently memorialized in the form of a
24 Memorandum of Understanding ("MOU").

25 G. This Agreement replaces and supersedes the MOU and any other agreements,
26 understandings, or representations between the Parties. This Agreement represents a
27 compromise and settlement of highly disputed claims. Nothing in this Agreement is
28 intended or will be construed as an admission by Defendant that the claims in the

1 Action of Plaintiff or the Class Members have merit or that Defendant bears any
2 liability to Plaintiff or the Class on those claims or any other claims, or as an
3 admission by Plaintiff that Defendant's defenses in the Action have merit.

4 H. The Parties believe that the Settlement is fair, reasonable and adequate. The
5 Settlement was arrived at through arms-length negotiations, considering all relevant
6 factors. The Parties recognize the uncertainty, risk, expense and delay attendant to
7 continuing the Action through trial and any appeal. Accordingly, the Parties desire to
8 fully, finally, and forever settle, compromise and discharge all disputes and claims
9 arising from or relating to the Action.

10 I. The Parties agree to certification of the Class for purposes of this Settlement only. If
11 for any reason the settlement does not become effective, Defendant reserves the right
12 to contest certification of any class for any reason and reserves all available defenses
13 to the claims in the Action.

14 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

15 **III. TERMS OF AGREEMENT**

16 A. Settlement Consideration and Settlement Payments by Defendant.

17 1. Settlement Consideration. In full and complete settlement of the Action, and
18 in exchange for the releases set forth below, Defendant will pay the sum of
19 the Individual Settlement Payment, the Class Representative Service Award,
20 the Class Counsel Award, PAGA Payment, and the Settlement Administration
21 Expenses, as specified in this Agreement, equal to the Gross Settlement
22 Amount of Seven Hundred Ninety-Five Thousand Dollars and Zero Cents
23 (\$795,000.00). The Parties agree that this is a non-reversionary Settlement and
24 that no portion of the Gross Settlement Amount shall revert to Defendant.
25 Other than the Defendant's share of employer payroll taxes and as provided
26 for in Section III(A)(2) below, if any, Defendant shall not be required to pay
27 more than the Gross Settlement Amount, except as provided for hereinbelow.

28 ///

1 2. Class Size. At the time of mediation, Defendant estimated that the Settlement
2 Class was comprised of 279 Class Members who collectively worked
3 approximately 26,000 Workweeks (calculated on a fulltime equivalent basis
4 using actual hours worked) (“Projected Workweeks”) during the Class Period.
5 Defendant will provide the Class Data to the Settlement Administrator at least
6 one (1) week prior to Plaintiff’s filing of the Motion for Preliminary Approval
7 of the Settlement to allow the Settlement Administrator sufficient time to
8 calculate and confirm the actual number of workweeks covered by the Class
9 Period. If the actual number of Workweeks increase by more than 10% of
10 what was represented at the mediation, the Gross Settlement Amount will
11 increase proportionally for the number of workweeks over 110% of 26,000.
12 For example, if the total workweeks in the Class Period are 111% (28,860),
13 the Gross Settlement Amount shall increase by 1%. Alternatively, Defendant
14 can elect that, should the 10% settlement escalator be triggered, the Class
15 Period and PAGA Period shall end on the last day on which the Workweeks
16 do not exceed 28,600 (the “Alternative End Date”).

17 3. Settlement Payment. Defendant and the Released Parties, and each of them,
18 are jointly and severally liable for payment of the Gross Settlement Amount.
19 Defendant shall pay the Gross Settlement Amount to the Settlement
20 Administrator on the Funding Date.

21 4. Defendant’s Share of Payroll Taxes. Defendant’s share of employer side
22 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
23 together with the Gross Settlement Amount.

24 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
25 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members,
26 on behalf of themselves and their respective and former and present representatives,
27 agents, attorneys, heirs, administrators, successors and assigns, shall and hereby do
28

1 release and discharge all Released Parties, from Released Class Claims for the Class
2 Period.

3 C. Release by the Plaintiff and the State of California. As of the Funding Date, in
4 exchange for the consideration set forth in this Agreement, the Plaintiff, the LWDA
5 and the State of California release the Released Parties from the Released PAGA
6 Claims for the PAGA Period.

7 D. General Release by Plaintiff. As of the Funding Date, for the consideration set forth
8 in this Agreement, Plaintiff waives, releases, acquits and forever discharges the
9 Released Parties from any and all claims, whether known or unknown, which exist or
10 may exist on either Plaintiff's behalf as of the date of this Agreement, including but
11 not limited to any and all tort claims, contract claims, wage claims, wrongful
12 termination claims, disability claims, benefit claims, public policy claims, retaliation
13 claims, statutory claims, personal injury claims, emotional distress claims, invasion of
14 privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and
15 all claims arising under any federal, state or other governmental statute, law, regulation
16 or ordinance, including, but not limited to claims for violation of the Fair Labor
17 Standards Act, the California Labor Code, the Wage Orders of California's Industrial
18 Welfare Commission, other state wage and hour laws, the Americans with Disabilities
19 Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement
20 Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair
21 Employment and Housing Act, the California Family Rights Act, the Family Medical
22 Leave Act, California's Whistleblower Protection Act, California Business &
23 Professions Code Section 17200 et seq., and any and all claims arising under any
24 federal, state or other governmental statute, law, regulation or ordinance. Plaintiff also
25 waives and relinquishes any and all claims, rights or benefits that he may have under
26 California Civil Code § 1542, which provides as follows:

27
28 ///

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

7
8 Thus, notwithstanding the provisions of section 1542, and to implement a full and
9 complete release and discharge of the Released Parties, Plaintiff expressly
10 acknowledges this Settlement Agreement is intended to include in its effect, without
11 limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at
12 the time of signing this Settlement Agreement, and that this Settlement Agreement
13 contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff
14 has read this Settlement Agreement, including this waiver of California Civil Code
15 section 1542, and that Plaintiff has consulted with or had the opportunity to consult
16 with counsel of Plaintiff's choosing about this Settlement Agreement and specifically
17 about the waiver of section 1542, and that Plaintiff understands this Settlement
18 Agreement and the section 1542 waiver, and so Plaintiff freely and knowingly enters
19 into this Settlement Agreement. Plaintiff further acknowledges that Plaintiff later may
20 discover facts different from or in addition to those Plaintiff now knows or believes to
21 be true regarding the matters released or described in this Settlement Agreement, and
22 even so Plaintiff agrees that the releases and agreements contained in this Settlement
23 Agreement shall remain effective in all respects notwithstanding any later discovery
24 of any different or additional facts. Plaintiff expressly assumes any and all risk of any
25 mistake in connection with the true facts involved in the matters, disputes, or
26 controversies released or described in this Settlement Agreement or with regard to any
27 facts now unknown to Plaintiff relating thereto.

28 ///

1 E. Conditions Precedent: This Settlement will become final and effective only upon the
2 occurrence of all of the following events:

- 3 1. The Court enters an order granting preliminary approval of the Settlement;
- 4 2. The Court enters an order granting final approval of the Settlement and a Final
5 Judgment;
- 6 3. Defendant fully funds the Gross Settlement Amount.

7 F. Nullification of Settlement Agreement. In the event that this Settlement Agreement is
8 not preliminarily or finally approved by the Court, fails to become effective, or is
9 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
10 Defendant from obtaining a complete resolution of the Released Class Claims, or if
11 Defendant fails to fully fund the Gross Settlement Amount:

- 12 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
13 and shall not be admissible in any judicial, administrative or arbitral
14 proceeding for any purpose or with respect to any issue, substantive or
15 procedural;
- 16 2. The conditional class certification (obtained for any purpose) shall be void *ab*
17 *initio* and of no force or effect, and shall not be admissible in any judicial,
18 administrative or arbitral proceeding for any purpose or with respect to any
19 issue, substantive or procedural; and
- 20 3. None of the Parties to this Settlement will be deemed to have waived any
21 claims, objections, defenses or arguments in the Action, including with respect
22 to the issue of class certification.
- 23 4. If Defendant fails to fully fund the Gross Settlement Amount, Defendant shall
24 bear the sole responsibility for any cost to issue or reissue any curative notice
25 to the Settlement Class Members and all Settlement Administration Expenses
26 incurred to the date of nullification.

27 G. Certification of the Settlement Class. The Parties stipulate to conditional class
28 certification of the Class for the Class Period pursuant to California Code of Civil

1 Procedure § 382 for the sole purpose of settlement. In the event that this Settlement is
2 not approved by the Court, fails to become effective, or is reversed, withdrawn or
3 modified by the Court, or in any way prevents or prohibits Defendant from obtaining
4 a complete resolution of the Released Class Claims, the conditional class certification
5 (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall
6 not be admissible in any judicial, administrative or arbitral proceeding for any purpose
7 or with respect to any issue, substantive or procedural.

8 H. Tax Liability. The Parties make no representations as to the tax treatment or legal
9 effect of the payments called for, and Class Members and/or Aggrieved Employees are
10 not relying on any statement or representation by the Parties in this regard. Class
11 Members and/or Aggrieved Employees understand and agree that they will be
12 responsible for the payment of any taxes and penalties assessed on the Individual
13 Settlement Payments and/or Aggrieved Employee Payment described and will be
14 solely responsible for any penalties or other obligations resulting from their personal
15 tax reporting of Individual Settlement Payments and/or Aggrieved Employee Payment.

16 I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
17 the “acknowledging party” and each Party to this Agreement other than the
18 acknowledging party, an “other party”) acknowledges and agrees that: (1) no provision
19 of this Agreement, and no written communication or disclosure between or among the
20 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
21 such communication or disclosure constitute or be construed or be relied upon as, tax
22 advice within the meaning of United States Treasury Department circular 230 (31 CFR
23 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
24 her or its own, independent legal and tax counsel for advice (including tax advice) in
25 connection with this Agreement, (b) has not entered into this Agreement based upon
26 the recommendation of any other Party or any attorney or advisor to any other Party,
27 and (c) is not entitled to rely upon any communication or disclosure by any attorney
28 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 Agreement.

J. Preliminary Approval Motion. Plaintiff shall draft and file with the Court a Motion for Order Granting Preliminary Approval and supporting papers within a reasonable period of time after complete execution of this agreement and will provide Defendant with a draft of the Motion at least five (5) business days prior to the filing of the Motion to give Defendant an opportunity to propose changes or additions to the Motion.

K. Settlement Administrator. The Settlement Administrator shall be responsible for: establishing and administering the QSF; calculating, processing and mailing payments to the Class Representative, Class Counsel, LWDA and Class Members; printing and mailing the Notice Packets to the Class Members as directed by the Court; receiving and reporting the objections and requests for exclusion; calculating, deducting and remitting all legally required taxes from Individual Settlement Payments and distributing tax forms for the Wage Portion and Non-Wage Portion of the Individual Settlement Payments and/or Aggrieved Employee Payment; processing and mailing tax payments to the appropriate state and federal taxing authorities; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities by among other things, sending a weekly status report to the Parties' counsel stating the date of the mailing, the of number of Elections Not to Participate in Settlement it receives (including the numbers of valid and deficient), and number of objections received.

///

1 L. Notice Procedure.

2 1. Class Data. No later than ten (10) business days after the Preliminary
3 Approval Date, Defendant shall provide the Settlement Administrator with the
4 Class Data for purposes of preparing and mailing Notice Packets to the Class
5 Members.

6 2. Notice Packets.

7 a) The Notice Packet shall contain the Notice of Class Action Settlement
8 in a form substantially similar to the form attached as **Exhibit A** and a
9 Request for Exclusion form attached hereto as **Exhibit B**. The Notice
10 of Class Action Settlement shall inform Class Members and
11 Aggrieved Employees that they need not do anything in order to
12 receive an Individual Settlement Payment and/or Aggrieved Employee
13 Payment and to keep the Settlement Administrator apprised of their
14 current mailing address, to which the Individual Settlement Payments
15 and/or Aggrieved Employee Payment will be mailed following the
16 Funding Date. The Notice of Class Action Settlement shall set forth
17 the release to be given by all members of the Class who do not request
18 to be excluded from the Settlement Class and/or Aggrieved
19 Employees' in exchange for an Individual Settlement Payment and/or
20 Aggrieved Employee Payment, the number of Workweeks worked by
21 each Class Member during the Class Period and PAGA Period, if any,
22 and the estimated amount of their Individual Settlement Payment if
23 they do not request to be excluded from the Settlement and each
24 Aggrieved Employee's share of the PAGA Payment, if any. The
25 Settlement Administrator shall use the Class Data to determine Class
26 Members' Workweeks and PAGA Pay Periods. The Notice will also
27 advise the Aggrieved Employees that they will release the Released
28

PAGA Claims and will receive their share of the PAGA Payment regardless of whether they request to be excluded from the Settlement.

b) The Notice Packet's mailing envelope shall include the following language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE ENTITLED TO PARTICIPATE IN A CLASS ACTION SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED NOTICE."

3. Notice by First Class U.S. Mail and Email. Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. No later than fourteen (14) calendar days after receiving the Class Data from Defendant, the Settlement Administrator shall mail and email copies of the Notice Packet to all Class Members via regular First-Class U.S. Mail and electronic mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.

4. Undeliverable Notices. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to any forwarding address provided. The Settlement Administrator will re-mail Notices within seven (7) days of receiving a returned Notice. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing, if another mailing address is identified by the Settlement Administrator. In addition, if

1 any Notice Packets, which are addressed to Class Members who are currently
2 employed by Defendant, are returned to the Settlement Administrator as non-
3 delivered and no forwarding address is provided, the Settlement Administrator
4 shall notify Defendant. Defendant will request that the currently employed
5 Class Member provide a corrected address and transmit to the Administrator
6 any corrected address provided by the Class Member. Class Members who
7 received a re-mailed Notice Packet shall have their Response Deadline
8 extended fifteen (15) days from the original Response Deadline.

9 5. Disputes Regarding Individual Settlement Payments. Class Members will
10 have the opportunity, should they disagree with Defendant's records regarding
11 the start and end dates of employment, to provide documentation and/or an
12 explanation to show contrary dates. If there is a dispute, the Settlement
13 Administrator will consult with the Parties to determine whether an
14 adjustment is warranted. The Settlement Administrator shall determine the
15 eligibility for, and the amounts of, any Individual Settlement Payments under
16 the terms of this Agreement. Unless the Class Member presents convincing
17 evidence proving he or she worked more workweeks than shown by
18 Defendant's records, his/her Settlement Award will be determined based on
19 Defendant's records. The Settlement Administrator's determination of the
20 eligibility for and amount of any Individual Settlement Payment shall be
21 binding upon the Class Member and the Parties, except as provided herein
22 below in Paragraph 6.

23 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
24 by the Settlement Administrator concerning the administration of the
25 Settlement will be resolved by the Court under the laws of the State of
26 California. Before any such involvement of the Court, counsel for the Parties
27 will confer in good faith to resolve the disputes without the necessity of
28 involving the Court.

1 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
2 Packet shall state that Class Members who wish to exclude themselves from
3 the Settlement must submit a signed copy of the Request for Exclusion form
4 that will be mailed together with the Notice Packet to all Class Members. The
5 Request for Exclusion will not be valid if it is not timely submitted, if the
6 Class Member does not sign it, or if it does not contain the name and address
7 and last four digits of the Social Security number of the Class Member. The
8 date of the postmark on the mailing envelope or fax stamp on the Request for
9 Exclusion shall be the exclusive means used to determine whether the request
10 for exclusion was timely submitted. Any Class Member who submits a timely
11 Request for Exclusion shall be excluded from the Settlement Class will not be
12 entitled to an Individual Settlement Payment and will not be otherwise bound
13 by the terms of the Settlement or have any right to object, appeal or comment
14 thereon. However, any Class Member that submits a timely Request for
15 Exclusion that is also a member of the Aggrieved Employees will still receive
16 his/her pro rata share of the PAGA Payment, as specified below, and in
17 consideration, will be bound by the Release by the Aggrieved Employees as
18 set forth herein. Settlement Class Members who fail to submit a valid and
19 timely Request for Exclusion on or before the Response Deadline shall be
20 bound by all terms of the Settlement and any final judgment entered in this
21 Action if the Court approves the Settlement. No later than fifteen (15)
22 calendar days after the Response Deadline, the Settlement Administrator shall
23 provide counsel for the Parties with a final list of the Class Members who have
24 timely submitted timely Requests for Exclusion. At no time shall any of the
25 Parties or their counsel seek to solicit or otherwise encourage members of the
26 Class to submit Requests for Exclusion from the Settlement.

27 8. Objections. The Notice of Class Action Settlement contained in the Notice
28 Packet shall state that Class Members who wish to object to the Settlement

1 may submit to the Settlement Administrator a written statement of objection
2 (“Notice of Objection” attached hereto as **Exhibit C**) by the Response
3 Deadline. The postmark date of mailing shall be deemed the exclusive means
4 for determining that a Notice of Objection was served timely. The Notice of
5 Objection, if in writing, must be signed by the Settlement Class Member and
6 state: (1) the case name and number; (2) the name of the Settlement Class
7 Member; (3) the address of the Settlement Class Member; (4) the last four
8 digits of the Settlement Class Member’s Social Security number; and (5) the
9 basis for the objection. Class Members who fail to make objections in writing
10 in the manner specified above may still make their objections orally at the
11 Final Approval/Settlement Fairness Hearing with the Court’s permission.
12 Settlement Class Members will have a right to appear at the Final
13 Approval/Settlement Fairness Hearing to have their objections heard by the
14 Court regardless of whether they submitted a written objection. At no time
15 shall any of the Parties or their counsel seek to solicit or otherwise encourage
16 Class Members to file or serve written objections to the Settlement or appeal
17 from the Order and Final Judgment. Class Members who submit a written
18 request for exclusion may not object to the Settlement. Class Members may
19 not object to the PAGA Payment.

20 M. Funding and Allocation of the Gross Settlement Amount. Defendant are required to
21 pay the Gross Settlement Amount on or before the Funding Date, plus any employer’s
22 share of payroll taxes as mandated by law within the time specified herein.

23 1. Individual Settlement Payments. Individual Settlement Payments shall be
24 paid from the Net Settlement Amount and shall be paid pursuant to the
25 formula set forth herein. Using the Class Data, the Settlement Administrator
26 shall add up the total number of Workweeks for all Class Members. The
27 respective Workweeks for each Class Member will be divided by the total
28 Workweeks for all Class Members, resulting in the Payment Ratio for each

1 Class Member. Each Class Member's Payment Ratio will then be multiplied
2 by the Net Settlement Amount to calculate each Class Member's estimated
3 Individual Settlement Payments. Each Individual Settlement Payment will be
4 reduced by any legally mandated employee tax withholdings (e.g., employee
5 payroll taxes, etc.). Individual Settlement Payments for Class Members who
6 submit valid and timely requests for exclusion will be redistributed to
7 Settlement Class Members who do not submit valid and timely requests for
8 exclusion on a pro rata basis based on their respective Payment Ratios.

9 2. Calculation of Individual Payments to the Aggrieved Employees. Using the
10 Class Data, the Settlement Administrator shall add up the total number of
11 PAGA pay periods for all Aggrieved Employees during the PAGA Period.
12 The respective PAGA pay periods for each Aggrieved Employee will be
13 divided by the total PAGA pay periods for all Aggrieved Employees, resulting
14 in the "PAGA Payment Ratio" for each Aggrieved Employee. Each
15 Aggrieved Employee's PAGA Payment Ratio will then be multiplied by the
16 Aggrieved Employee Payment to calculate each Aggrieved Employee's
17 estimated share of the PAGA Payment.

18 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
19 Settlement Payments shall be allocated and treated as follows: 20% as wages
20 ("Wage Portion"); 80% as penalties and interest ("Non-Wage Portion"). The
21 Wage Portion is subject to wage withholdings and shall be reported on IRS
22 Form W-2. The Non-Wage Portion shall not be subject to wage withholdings
23 and shall be reported on IRS Form 1099.

24 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
25 Employee Payments shall be allocated and treated as 100% penalties and shall
26 be reported on IRS Form 1099.

27 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
28 Aggrieved Employee Payment made to Settlement Class Members and/or

1 Aggrieved Employees under this Settlement Agreement, as well as any other
2 payments made pursuant to this Settlement Agreement, will not be utilized to
3 calculate any additional benefits under any benefit plans to which any Class
4 Members may be eligible, including, but not limited to profit-sharing plans,
5 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave
6 plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
7 that this Settlement Agreement will not affect any rights, contributions, or
8 amounts to which any Class Members may be entitled under any benefit plans.

9 6. All monies received by Settlement Class Members under the Settlement which
10 are attributable to wages shall constitute income to such Settlement Class
11 Members solely in the year in which such monies actually are received by the
12 Settlement Class Members. It is the intent of the Parties that Individual
13 Settlement Payments and Aggrieved Employee Payment provided for in this
14 Settlement Agreement are the sole payments to be made by Defendant to
15 Settlement Class Members and/or Aggrieved Employees in connection with this
16 Settlement Agreement, with the exception of Plaintiff, and that the Settlement
17 Class Members and/or Aggrieved Employees are not entitled to any new or
18 additional compensation or benefits as a result of having received the Individual
19 Settlement Payments and/or their shares of the PAGA Payment.

20 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
21 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
22 and/or Aggrieved Employees last known mailing address no later than fifteen
23 (15) calendar days after the Funding Date.

24 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
25 Employees shall remain valid and negotiable for one hundred and eighty (180)
26 days from the date of their issuance. If a Settlement Class Member and/or
27 Aggrieved Employee does not cash his or her settlement check within ninety
28 (90) days, the Settlement Administrator will send a letter to such persons,

1 advising that the check will expire after the one hundred eightieth (180th) day,
2 and invite that Settlement Class Member and/or Aggrieved Employee to
3 request reissuance in the event the check was destroyed, lost or misplaced. In
4 the event an Individual Settlement Payment and/or Aggrieved Employee's
5 Aggrieved Employee Payment check has not been cashed within one hundred
6 and eighty (180) days, the check will be voided and the Settlement Class
7 Member and/or Aggrieved Employee will remain bound by the Settlement.
8 The funds from any such uncashed checks shall be distributed as set forth in
9 California Code of Civil Procedure Section 384, as amended, to the
10 Community Law Project, a Cy Pres.

- 11 9. Class Representative Service Award. In addition to the Individual Settlement
12 Payment and his Aggrieved Employee Payment to be paid to Plaintiff,
13 Plaintiff will apply to the Court for an award of not more than \$7,500, as the
14 Class Representative Service Award. Defendant will not oppose a Class
15 Representative Service Award of not more than \$7,500 for Plaintiff. The
16 Settlement Administrator shall pay the Class Representative Service Award,
17 either in the amount stated herein if approved by the Court or some other
18 amount as approved by the Court, to Plaintiff from the Gross Settlement
19 Amount no later than fifteen (15) calendar days after the Funding Date. Any
20 portion of the requested Class Representative Service Award that is not
21 awarded to the Class Representative shall be part of the Net Settlement
22 Amount and shall be distributed to Settlement Class Members as provided in
23 this Agreement. The Settlement Administrator shall issue an IRS Form 1099
24 — MISC to Plaintiff for his Class Representative Service Award. Plaintiff
25 shall be solely and legally responsible to pay any and all applicable taxes on
26 his Class Representative Service Award and shall hold harmless the Released
27 Parties from any claim or liability for taxes, penalties, or interest arising as a
28 result of the Class Representative Service Award. The Class Representative

1 Service Award shall be in addition to Plaintiff's Individual Settlement
2 Payment as a Settlement Class Member. Approval of this Settlement shall not
3 be conditioned on Court approval of the requested amount of the Class
4 Representative Service Award. If the Court reduces or does not approve the
5 requested Class Representative Service Award, Plaintiff shall not have the
6 right to revoke the Settlement, and it will remain binding.

7 10. Class Counsel Award. Defendant understands that a motion by Class Counsel
8 for attorneys' fees not to exceed 35% of the Gross Settlement Amount
9 currently estimated to be Two Hundred Sixty-Five Thousand, Five Hundred
10 Dollars and Zero Cents (\$278,250) plus costs and expenses supported by
11 declaration not to exceed Thirty Thousand Dollars and Zero Cents
12 (\$30,000.00), from the Gross Settlement Amount will be filed. Defendant
13 agrees not to oppose the request for the Class Counsel Award. Any portion
14 of the requested Class Counsel Award that is not awarded to Class Counsel
15 shall be part of the Net Settlement Amount and shall be distributed to
16 Settlement Class Members as provided in this Agreement. The Settlement
17 Administrator shall allocate and pay the Class Counsel Award to Class
18 Counsel from the Gross Settlement Amount no later than fifteen (15) calendar
19 days after the Funding Date. Class Counsel shall be solely and legally
20 responsible to pay all applicable taxes on the payment made pursuant to this
21 paragraph. The Settlement Administrator shall issue an IRS Form 1099 —
22 MISC to Class Counsel for the payments made pursuant to this paragraph. In
23 the event that the Court reduces or does not approve the requested Class
24 Counsel Award, Plaintiff and Class Counsel shall not have the right to revoke
25 the Settlement, or to appeal such order, and the Settlement will remain
26 binding.

27 11. PAGA Payment. One Hundred and Fifteen Thousand Dollars and Zero Cents
28 (\$115,000.00) shall be allocated from the Gross Settlement Amount for

1 settlement of claims for civil penalties under the Private Attorneys General
2 Act of 2004 (“PAGA Payment”). The Settlement Administrator shall pay the
3 LWDA Payment, comprised of seventy-five percent (75%) of the PAGA
4 Penalties (\$86,250.00), to the California Labor and Workforce Development
5 Agency no later than thirty (30) days after the Effective Date. The Aggrieved
6 Employee Payment, comprised of twenty-five percent (25%) of the PAGA
7 Penalties (\$28,750.00), will be distributed to the Aggrieved Employees as
8 described in this Agreement. For purposes of distributing the Aggrieved
9 Employee Payment, each Aggrieved Employee shall receive their pro-rata
10 share of the Aggrieved Employee Payment using the PAGA Payment Ratio
11 as defined above.

12 12. Settlement Administration Expenses. The Settlement Administrator shall be
13 paid for the costs of administration of the Settlement from the Gross
14 Settlement Amount. The estimate of the Settlement Administration Expenses
15 is \$6,900. The Settlement Administrator shall be paid the Settlement
16 Administration Expenses no later than fifteen (15) calendar days after the
17 Funding Date.

18 N. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with
19 the Court a Motion for Order Granting Final Approval and Entering Judgment, within
20 twenty-eight (28) days following the expiration of the Response Deadline, which
21 motion shall request final approval of the Settlement and a determination of the
22 amounts payable for the Class Representative Service Award, the Class Counsel
23 Award, the PAGA Payment, and the Settlement Administration Expenses. Plaintiff
24 will provide Defendant with a draft of the Motion at least three (3) business days prior
25 to the filing of the Motion to give Defendant an opportunity to propose changes or
26 additions to the Motion.

27 1. Declaration by Settlement Administrator. No later than fifteen (15) days after
28 the Response Deadline, the Settlement Administrator shall submit a

1 declaration in support of Plaintiff's motion for final approval of this
2 Settlement detailing the number of Notice Packets mailed and re-mailed to
3 Class Members, the number of undeliverable Notice Packets, the number of
4 timely requests for exclusion and the names of the Class Members requesting
5 exclusion (if any), the number of objections received, the amount of the
6 average Individual Settlement Payment, lowest Individual Settlement
7 Payment, and highest Individual Settlement Payment, the amount of the
8 average Aggrieved Employee Payment, lowest Aggrieved Employee
9 Payment, and highest Aggrieved Employee Payment, the Settlement
10 Administration Expenses, and any other information as the Parties mutually
11 agree or the Court orders the Settlement Administrator to provide.

12 2. Final Approval Order and Judgment. Class Counsel shall present an Order
13 Granting Final Approval of Class Action Settlement to the Court for its
14 approval, and Judgment thereon, at the time Class Counsel files the Motion
15 for Final Approval.

16 N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
17 an opportunity for Counsel for Defendant to review the Motions for Preliminary and
18 Final Approval, including the Order Granting Final Approval of Class Action
19 Settlement, and Judgment before filing with the Court. The Parties and their counsel
20 will cooperate with each other and use their best efforts to affect the Court's approval
21 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
22 Judgment.

23 O. Cooperation. The Parties and their counsel will cooperate with each other and use
24 their best efforts to implement the Settlement.

25 P. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
26 except such proceedings necessary to implement and complete the Settlement, pending
27 the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

28 ///

- 1 Q. Amendment or Modification. This Agreement may be amended or modified only by
2 a written instrument signed by counsel for all Parties or their successors-in-interest.
- 3 R. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
4 Agreement among these Parties, and no oral or written representations, warranties or
5 inducements have been made to any Party concerning this Agreement or its Exhibit
6 other than the representations, warranties and covenants contained and memorialized
7 in this Agreement and its Exhibits.
- 8 S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
9 represent they are expressly authorized by the Parties whom they represent to negotiate
10 this Agreement and to take all appropriate Action required or permitted to be taken by
11 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
12 documents required to effectuate the terms of this Agreement. The persons signing
13 this Agreement on behalf of Defendant represent and warrant that he/she is authorized
14 to sign this Agreement on behalf of Defendant. Plaintiff represents and warrants that
15 he is authorized to sign this Agreement and that he has not assigned any claim, or part
16 of a claim, covered by this Settlement to a third-party.
- 17 T. No Public Comment: The Parties and their counsel agree that they will not issue any
18 press releases, initiate any contact with the press, respond to any press inquiry, or have
19 any communication with the press about the fact, amount or terms of the Settlement
20 Agreement. Class Counsel further agrees not to use the Settlement Agreement or any
21 of its terms for any marketing or promotional purposes. Nothing herein will restrict
22 Class Counsel from including publicly available information regarding this settlement
23 in future judicial submissions regarding Class Counsel's qualifications and experience.
24 Further, Class Counsel will not include, reference or use the Settlement Agreement for
25 any marketing or promotional purposes, either before or after the Motion for
26 Preliminary Approval is filed.
- 27 U. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
28 to the benefit of, the successors or assigns of the Parties, as previously defined.

- 1 V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes
2 shall be governed by and interpreted according to the laws of the State of California.
- 3 W. Counterparts. This Agreement may be executed in one or more counterparts. All
4 executed counterparts and each of them shall be deemed to be one and the same
5 instrument provided that counsel for the Parties to this Agreement shall exchange
6 among themselves copies or originals of the signed counterparts.
- 7 X. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
8 is a fair, adequate and reasonable settlement of this Action and have arrived at this
9 Settlement after extensive arms-length negotiations, considering all relevant factors,
10 present and potential.
- 11 Y. Continuing Jurisdiction of the Court. The Parties agree that the Court shall retain
12 jurisdiction over this case under CCP section 664.6 to ensure the continuing
13 implementation of the provisions of this settlement and that the time within which to
14 bring this action to trial under CCP section 583.310 shall be executed from the date of
15 the signing of this Agreement by all Parties until the entry of the final approval order
16 and judgment or if not entered the date this Agreement shall no longer be of any force
17 or effect.
- 18 Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
19 the Court shall first attempt to construe the provisions valid to the fullest extent
20 possible consistent with applicable precedents so as to define all provisions of this
21 Agreement valid and enforceable.
- 22 AA. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not currently
23 intend to pursue any claims against the Released Parties, including, but not limited to,
24 any and all claims relating to or arising from Plaintiff's employment with Defendant,
25 regardless of whether Class Counsel is currently aware of any facts or legal theories
26 upon which any claims or causes of action could be brought against Released Parties,
27 including those facts or legal theories alleged in the operative complaint in this Action.
28 The Parties further acknowledge, understand and agree that this representation is

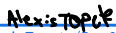
1 essential to the Agreement and that this Agreement would not have been entered into
2 were it not for this representation.

3 BB. Stipulation to Class Certification. The Parties agree to stipulate to class certification
4 for purposes of this settlement only.

5 CC. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the
6 Released Claims have merit and give rise to liability on the part of Defendant.
7 Defendant claims that the Released Claims have no merit and do not give rise to
8 liability. This Agreement is a compromise of disputed claims. Nothing contained in
9 this Agreement and no documents referred to and no action taken to carry out this
10 Agreement may be construed or used as an admission by or against the Defendant or
11 Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other
12 than as may be specifically set forth herein, each Party shall be responsible for and
13 shall bear its/his own attorney's fees and costs.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

Signature: 
Alexis Topete (Dec 9, 2024 13:16 PST)
Email: alexistopetehernandez@yahoo.com

DATED: 12/09/2024

ALEXIS TOPETE-HERNANDEZ

IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANT:

DocuSigned by:

185C0492FB984B3...

DATED: 12/18/2024

THE PEGGS COMPANY, INC.

Brett Nelson

Printed Name

CEO

Title

1 IT IS SO AGREED AS TO FORM BY COUNSEL:

2
3 DATED: 12/09/2024

JCL LAW FIRM, APC

4 By: 
5 Jean-Claude Lapuyade
6 Attorneys for Plaintiff and the Settlement Class
7 Members

8 DATED: 12/09/2024

ZAKAY LAW GROUP, APLC

9 By: 
10 Shani Zakay
11 Attorneys for Plaintiff and the Settlement Class
12 Members

13 DATED: 12/09/2024

LAWYERS FOR JUSTICE, PC

14 By: 
15 Elizabeth Parker-Fawley
16 Ryan Slinger
17 Attorneys for Plaintiff and the Settlement Class
18 Members

19 DATED: 12/18/2024

MEDINA MCKELVEY LLP

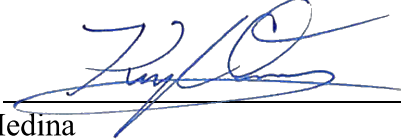
20 By: 
21 Alex Medina
22 Kyle Owen
23 Attorneys for Defendant
24
25
26
27
28

EXHIBIT A

NOTICE OF SETTLEMENT
AND FINAL HEARING DATE

**(ALEXIS TOPETE-HERNANDEZ v. THE PEGGS COMPANY, INC.,
Riverside County Superior Court Case No. CVRI2400968)**

PLEASE READ THIS NOTICE CAREFULLY.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Individual Settlement Payment is: \$<<__>>. Your estimated Aggrieved Employee Payment is <<____>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendant as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. Instructions are set forth below.
Object	You may write to the Court about why you believe the Settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of Riverside (the “Court”) has been reached between Plaintiff ALEXIS TOPETE-HERNANDEZ (“Plaintiff”) and Defendant THE PEGGS COMPANY, INC., a California corporation (“Defendant”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All current and former hourly-paid or non-exempt employees employed by Defendant in California at any time during the Class Period. “Class Period” means the period between February 22, 2020, through November 29, 2024.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On February 22, 2024, Plaintiff filed a Complaint against Defendant in the Superior Court of the State of California, County of Riverside (the “Action”). Plaintiff asserted the following claims alleging that Defendant: (1) Failure to pay overtime wages in violation of California Labor Code sections 510 et seq; (2) Failure to provide required meal periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC wage order; (3) Failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC wage order; (4) Failure to pay minimum wages in violation of California Labor Code sections 1194, 1197 and 1197.1; (5) Failure to provide wages when due in violation of California Labor Code sections 201, 202 and 203; (6) Failure to provide wages when due in violation of California Labor Code section 204; (7) Failure to provide accurate itemized wage statements in violation of California Labor Code section 226; (8) Failure to keep requisite payroll records in violation of California Labor Code section 1174(d); (9) Failure to reimburse Plaintiff for required expenses in violation of California Labor Code section 2802; (10) Unfair Competition in Violation of Bus. and Prof. Code sections 17200 et seq; and (11) Violation of the Private Attorneys General Act (the “PAGA”) in violation of California Labor Code sections 2698, et seq. PAGA is a mechanism by which the State of California itself can enforce state labor laws through the employee suing under the PAGA who does so as the proxy or agent of the state’s labor law enforcement agency. The purpose of the PAGA is not to recover damages or restitution, but to create a means of “deputizing” citizens as private attorney general to enforce the Labor Code.

Defendant contends that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Defendant contends that the wage and hour policies and practices at issue, including those regarding payment for time worked, overtime pay, meal breaks, and rest breaks are lawful and have been lawful throughout the relevant time periods. Defendant also contends that Plaintiff’s claims do not meet the requirements for class certification.

This Settlement is the result of good faith, arm’s length negotiations between Plaintiff and Defendant, through their respective attorneys. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Settlement Class Members. This Settlement is a compromise and is not an admission of liability on the part of Defendant.

The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses.

The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of Lawyers for Justice, PC, JCL Law Firm, APC and Zakay Law Group, APLC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay an “all in” amount of Seven Hundred Fifty Thousand Dollars and Zero Cents (\$795,000.00) (the “Gross Settlement Amount”) to fund the Settlement. The Gross Settlement Amount includes the payment of all Individual Settlement Payments to Settlement Class Members, Class Counsel Award, Settlement Administration Expenses, PAGA Payment, and the Class Representative Service Award to the Plaintiff.

After the Judgment becomes Final, Defendant will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed, and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$6,900 for expenses, including expenses of sending this Notice, processing opt-outs, and distributing settlement payments.
- Class Counsel Award. Payment to Class Counsel attorneys' not to exceed 35% of the Gross Settlement Amount (currently \$278,250) plus costs and expenses not to exceed **\$30,000** for all costs and expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Class Representative Service Award. Class Representative Service Award of up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate him for services on behalf of the Class in initiating and prosecuting the Action, and for the risks he undertook.
- PAGA Payment. A payment of One Hundred Fifteen Thousand Dollars and Zero Cents (\$115,000.00) relating to Plaintiff's claim under the Private Attorneys General Act ("PAGA"), \$86,250 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA Payment") and the remaining \$28,750 will be distributed to the Aggrieved Employees ("Aggrieved Employee Payment").
- Calculation of Individual Settlement Payments. After all the above payments of the court-approved Class Counsel Award, the Class Representative Service Award, the PAGA Payment, and the Settlement Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Settlement Class Members"). The Individual Settlement Payment for each Settlement Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Settlement Class Members that occurred during the Class Period and multiplying the result by each individual Settlement Class Member's workweeks that occurred during the Class Period. A "workweek" is defined as a normal seven-day week of work during the Class Period in which, according to Defendant's records, a member of the class worked at least one day during any such workweek.
- Calculation of Aggrieved Employee Payments to Aggrieved Employees. The Aggrieved Employee Payment portion of the PAGA Payment shall be distributed to Aggrieved Employees irrespective of whether they exclude themselves or opt-out. The Aggrieved Employee Payment will be divided by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective Aggrieved Employee during the PAGA Period. "Aggrieved Employees" means all persons who are or previously were employed by Defendant in California during the PAGA Period. The PAGA Period means the period between December 18, 2022, through November 29, 2024.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Individual Settlement Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

You may find the Settlement Agreement entitled "Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims" filed on **MONTH XX**, 2025, with the Riverside County Superior Court, Dept. 1, located at 4050 Main Street, Riverside, CA 92501. You may also find the Settlement Agreement online by visiting the

Riverside County Superior Court website <https://www.riverside.courts.ca.gov/>. The Settlement Agreement can be found at **Exhibit 1** of the Zakay Declaration filed on **MONTH XX**, 2025.

Tax Matters. Twenty percent (20%) of each Individual Settlement Payment is allocated to wages. Taxes are withheld from this amount, and each Settlement Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Eighty percent (80%) of each Individual Settlement Payment is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld from this portion, and each Settlement Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from Aggrieved Employee Payments paid to Aggrieved Employees, and each Aggrieved Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendant's counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendant, Plaintiff and the Settlement Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means all claims alleged or which could have reasonably been alleged based on the facts alleged in the Operative Complaint, which arose during the Class Period. The Released PAGA Claims shall be released as follows: Upon entry of final judgment and upon funding in full of the Gross Settlement Amount by Defendant, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the Class Settlement and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means all claims under the PAGA alleged in the Operative Complaint in the Action and Plaintiff's letter to the LWDA dated December 18, 2023, that arose during the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendant's records reflect that you have <<____>> Workweeks worked during the Class Period (February 22, 2020, through November 29, 2024).

Based on this information, your estimated Individual Settlement Payment is <<____>>.

Defendant's records reflect that you have <<____>> pay periods worked during the PAGA Period (December 18, 2022, through November 29, 2024).

Based on this information, your estimated Aggrieved Employee Payment is <<____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or re-mailed Notice].

6. How can I get a payment?

To get money from the Settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: Apex Class Action LLC at 1-800-355-0700.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at <https://apexclassaction.com/>.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the Released PAGA Claims, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Aggrieved Employee Payment.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is 18 Technology Drive, Suite 164, Irvine, CA 92618. The request for exclusion must state in substance: "I wish to opt out of the settlement of the class action lawsuit entitled **ALEXIS TOPETE-HERNANDEZ v. THE PEGGS COMPANY, INC., Riverside County Superior Court, Case No. CVRI2400968**. I understand that by requesting to be excluded from the Settlement, I will receive no money from the Settlement described in this Notice." The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair. All written objections or other correspondence must also state the name and number of the case, which is **ALEXIS TOPETE-HERNANDEZ v. THE PEGGS COMPANY, INC., Riverside County Superior Court, Case No. CVRI2400968**. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than _____. The address for the Settlement Administrator is Apex Class Action LLC, 18 Technology

Drive, Suite 164, Irvine, CA 92618.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 599-8292
Email: jlapuyade@jcl-lawfirm.com

Class Counsel:

Shani O. Zakay, Esq.
Zakay Law Group, APLC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel: (619) 599-8292
Email: shani@zakaylaw.com

Class Counsel:

Elizabeth Parker-Fawley, Esq.
Ryan Slinger, Esq.
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020
Email: elizabeth@calljustice.com
r.slinger@calljustice.com

Counsel for Defendant:

Alex Medina, Esq.
Kyle Owen, Esq.
Medina McKelvey, LP
925 Highland Pointe Drive, Suite
300
Roseville, California 95678
Telephone: (916) 960-2211
alex@medinamckelvey.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at **00:00 AM/PM on** _____, at the Riverside County Superior Court, Dept. 1, located at 4050 Main Street, Riverside, CA 92501 before Judge Harold Hopp. The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, reasonable, and adequate. At the Final Approval Hearing, the Court will determine whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at 1-800-355-0700 or write to **ALEXIS TOPETE-HERNANDEZ v. THE PEGGS COMPANY, INC., Riverside County Superior Court, Case No. CVRI2400968**, Settlement Administrator, c/o _____.

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You may receive a copy of the Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims ("Settlement Agreement") filed on **MONTH XX**, 2025, the Final Judgment or other Settlement documents by writing to JCL Law Firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121.

PLEASE DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, THE JUDGE; OR DEFENDANT FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your Individual Settlement Payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks will be distributed as set forth in California Code of Civil Procedure Section 384, as amended, to the Community Law Project, a Cy Pres. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

Superior Court of California, County of Riverside
ALEXIS TOPETE-HER
NANDEZ v. THE PEGGS COMPANY, INC.,
Riverside County Superior Court Case No. CVRI2400968

REQUEST FOR EXCLUSION

Instructions: Please complete this Form ONLY IF YOU **DO NOT** WANT TO PARTICIPATE IN THE SETTLEMENT that is described in the Notice Pendency of Class Action Settlement and Final Hearing Date that accompanies this Form. If you choose to complete this Form, the deadline for mailing it to the Settlement Administrator is **[** INSERT DATE**]**.

I. PERSONAL INFORMATION

Name (first, middle and last): _____
Home Street Address: _____
City, State, Zip Code: _____
Telephone Number: (____) _____

II. REQUEST FOR EXCLUSION

By signing and returning this Form, I certify that I wish to opt out of the settlement of the class action lawsuit entitled *ALEXIS TOPETE-HERNANDEZ v. THE PEGGS COMPANY, INC., Riverside County Superior Court, Case No. CVRI2400968*, filed in the Superior Court of California, County of Riverside. I understand that by requesting to be excluded from the Settlement, I will receive no money from the Settlement described in the Notice Pendency of Class Action Settlement and Final Hearing Date that accompanies this Form.

Any Class Member that submits a timely Request for Exclusion who is also an Aggrieved Employee will still receive his/her pro rata share of the PAGA Payment. Exclusion from the Class Action Settlement does not result in exclusion from the PAGA Payment.

III. MAILING INSTRUCTIONS

If you choose to return this Form, you must return it to the Settlement Administrator postmarked on or before **[**INSERT DATE**]** AT THE ADDRESS LISTED BELOW:

Apex Class Action LLC
18 Technology Drive, Suite 164
Irvine, CA 92618

IV. PLEASE SIGN BELOW

I declare that the foregoing is true and correct.

Dated: _____

(Signature)

(Print Name)

EXHIBIT C

Apex Class Action LLC
18 Technology Drive, Suite 164
Irvine, CA 92618

Must Be Postmarked
No Later Than
XXX, 2025

OBJECTION FORM

SUPERIOR COURT OF THE STATE OF CALIFORNIA – COUNTY OF RIVERSIDE
ALEXIS TOPETE-HERNANDEZ v. THE PEGGS COMPANY, INC., Case No. CVRI2400968

<<Name>>
<<Address>>
<<City>>, <<State>> <<Zip Code>>

Indicate Name/Address Changes, if any:

YOU DO NOT NEED TO COMPLETE THIS FORM TO PARTICIPATE IN THE SETTLEMENT. THIS FORM IS TO BE USED ONLY IF YOU WANT TO PARTICIPATE IN THE SETTLEMENT, BUT YOU OBJECT TO THE TERMS OF THE SETTLEMENT. IF YOU OBJECT TO THE SETTLEMENT, YOU MUST SIGN AND COMPLETE THIS FORM ACCURATELY AND IN ITS ENTIRETY AND YOU MUST MAIL IT BY FIRST CLASS U.S. MAIL TO THE SETTLEMENT ADMINISTRATOR SO THAT IT IS POSTMARKED ON OR BEFORE XXX, 2024. THE ADDRESS FOR THE SETTLEMENT ADMINISTRATOR IS NOTED AT THE TOP OF THIS FORM. IF YOU DO NOT OBJECT TO THE SETTLEMENT, DO NOT SUBMIT THIS FORM.

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. All of the information on this form is required. If you do not provide all of the information below, your objection will be deemed null and void.

I, _____, (name of Class Member) hereby object to the Settlement in this case for the following reasons:

Dated: _____

Signature: _____

Print or Type Name: _____

Telephone Number: _____

EXHIBIT 2

EXHIBIT 3



Quotation Request:

Jennifer Heming
JCL Law Firm, A.P.C.
jheming@jcl-lawfirm.com
888.498.6999

Case Name:

Date:
RFP Number:

Topete-Hernandez v. The Peggs Company

Thursday, December 5, 2024
17077023

Prepared By:

Sean Hartranft
Apex Class Action LLC
Sean@apexclassaction.com
949.878.3676

Settlement Specifications	
Estimated Class Size:	279
Certified Language Translation:	Yes
Static Settlement Website	No
Percentage of Undeliverable Mail	20%

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
-----------------------	-----------------	---------	----------	----------------

Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	\$125.00	1	\$125.00
Data Analyst	Per Hour	\$150.00	1	\$150.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of \$150/hr.				
Sub Total:				\$275.00

Mailing of Class Notice				
Form Set Up	Per Hour	\$120.00	1	\$120.00
Print & Mail Class Notice	Per Piece	\$1.50	279	\$418.50
USPS First Class Postage	Per Piece	\$0.70	279	\$195.30
Remail Undeliverable Mail (Skip-Trace)	Per Piece	\$2.00	56	\$111.60
Receive and Process Undeliverable Mail	Per Hour	\$75.00	1	\$75.00
Process Class Member Correspondence via mail, e-mail & fax	Per Piece	\$75.00	2	\$150.00
NCOA Address Update (USPS)	Static Rate	\$62.29	1	\$62.29
Certified Language Translation: Spanish	Static Rate	\$1,200.00	1	\$1,200.00
Sub Total:				\$2,332.69

Project Management				
Project Management	Per Hour	\$150.00	2	\$300.00
Project Coordinator	Per Hour	\$90.00	2	\$180.00
Data Analyst and Reporting	Per Hour	\$140.00	1	\$140.00
Sub Total:				\$620.00



APEX

CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
-----------------------	-----------------	---------	----------	----------------

Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	\$100.00	1	\$100.00
Settlement Status Reports	Static Rate	\$750.00	1	Waived
Sub Total:				\$100.00

Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	\$120.00	2	\$240.00
Account Management and Reconciliation	Per Hour	\$140.00	2	\$280.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	\$1.00	279	\$279.00
USPS First Class Postage	Per Piece	\$0.69	279	\$192.51
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$2.00	28	\$55.80
Individual Income Tax Preparation & Reporting	Per Hour	\$100.00	6	\$600.00
QSF Income Tax Reporting (per calendar year)	Per Year	\$1,200.00	1	\$1,200.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	\$250.00	1	\$250.00
Sub Total:				\$3,097.31

Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	\$135.00	1	\$135.00
Project Management Reconciliation	Per Hour	\$100.00	1	\$100.00
Declarations	Per Hour	\$120.00	2	\$240.00
Sub Total:				\$475.00

WILL NOT EXCEED:				\$6,900.00
------------------	--	--	--	------------

Thank you for your business!



Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. Services: Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. Payment Terms: As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. Incurred Expenses: In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. Invoicing: Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. Case Duration: The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. Termination of Services: Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. Independent Contractor: As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. Limitation of Liability: The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. Indemnification: The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. Confidentiality: Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Apex may derive financial benefits from financial institutions in connection with the deposit and investment of funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

14. COMPLETE AGREEMENT. These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. Force Majeure: In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. Severability: This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. Nonwaiver: This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.